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TODAY: MONEY Absolute Beginners, Page 15

To Japanese Gripped by Gloom, 'There Is No Future'

By Sheryl WuDunn
New York Times Service

TOKYO — Many Japanese used to think that the next century would be the Japanese century. But after years of unremitting economic struggles and a convulsing stock market, that now sounds like a bitter joke to people like Yukiko Shinya.

"As a shareholder, I'm just terrified," said Mrs. Shinya, a 70-year-old retiree, as she watched stock prices fall on an electronic securities board. "There is just no future."

Mrs. Shinya's bleak mood may seem unduly alarmist in one of the richest countries in the world and one where only about 7 percent of the population owns stock. But her pessimism is widely shared by business executives, best-selling authors, top government officials and economists, many of whom feel that drastic changes are needed.

For many Japanese, the 11 percent drop in the stock market so far this year and the continued slide of the yen against the dollar amounts to a message that something must be done, despite Japan's overall economic strength.

The yen's decline is hurting foreign imports in Japan, especially cars. Page 9.

Japanese books, business magazines and newspapers are arguing that, like Britain a century ago, Japan may be in an inexorable decline in international prestige and economic might.

Headlines blare: "Japan Is Disappearing," "Japan Is in Danger, Starting to Decline," "Japan Is Heading Toward Collapse." Commentators argue that Japan will be carried into the sea of sclerotic countries burdened by complacency and heavy regulation.

"Japan stands at a crossroads," Shoichiro Toyoda, the chairman of Toyota Motor Corp. and head of Keidanren, the nation's most influential business organization, said in a recent speech. "If we take no action and let these problems linger on, the Japanese economy will be headed for catastrophe and will be left out of the world's prosperity in the 21st century."

Prime Minister Ryutaro Hashimoto has called for broad changes, from reorganization of the bureaucracy to changes in fiscal budgeting, social programs and education and a drastic restructuring of the economy.

Ten years ago, the Maekawa Reports also laid out a wide-ranging plan for reform, but it was never fully put into place, and so now, many voters and investors are skeptical that Mr. Hashimoto can bring about real change.

Since the first trading week of the year, stocks have spiraled way up and way down, the yen has further weakened against the dollar, offering opportunity for some but serious concern for many. The index closed Friday at 17,689.36, down 220.10 points from Thursday. The yen closed in New York on Friday at 118.90 to the dollar, after flirting with 120, its weakest point in nearly four years.

Some people, including Japanese financial officials, are quietly grateful for the recent stock

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Algeria Leader Vows to Crush Violent 'Plot' By Guerrillas

Responding to Bombings, He Says 'Foreign Forces' Are Behind Terror Wave

By Charles Trueheart
Washington Post Service

PARIS — Lashing out at Islamic terrorists and unnamed "foreign forces" behind them, President Lamine Zeroual of Algeria underlined on Friday night his government's hard line in the country's five-year civil war. He showed no sign of openness to the political or negotiated solution that his regime's critics have been demanding.

"I confirm to the dear Algerian people the determination of the Algerian state to battle against the terrorist groups until their final eradication," Mr. Zeroual said in a televised address to the nation. "It is bands of criminals, traitors and mercenaries manipulated by external sources who are exploiting their savagery to serve foreign interests."

Mr. Zeroual spoke a day after Islamic extremists reportedly slaughtered 15 members of an extended family, including 10 women and a toddler, in a suburb of Algiers, lifting the estimated death toll in the last two weeks to more than 200. According to Agence France-Presse, the radicals tortured and mutilated the family.

Mr. Zeroual, a former general, has been emblematic of the government's hollow legitimacy and military impotence in the face of unchecked violence that has left about 50,000 people dead and has paralyzed daily life in Algiers.

The fighting between government forces and radical Muslim insurgents broke out in 1992 after Algeria's military rulers canceled the country's first democratic, multiparty elections rather than lose power, as they were expected to do, to the Islamic Salvation Front.

Since the canceled elections, the Armed Islamic Group, a violent wing with tenuous relations to the Islamic Salvation Front, and other radical Muslim guerrillas have carried out tens of thousands of murders, from bombings in city streets to roadside executions.

The balance of the killing, by some estimates half of it, has been carried out in reprisals by Mr. Zeroual's security forces and by militias often armed by the government and answerable to no known authority.

For all the worsening violence, Mr. Zeroual garnered a round of good publicity and enhanced

See ALGERIA, Page 6

Peter Graf Sentenced In German Tax Evasion

By William Drozdiak
Washington Post Service

BERLIN — The father of Steffi Graf, the world's top-ranked women's tennis player, was sentenced Friday to three years and nine months in prison after being convicted of evading more than $7 million in taxes on his daughter's income.

After a four-month trial that portrayed a remarkable tale of greed and exploitation in professional tennis, a court in the southwestern German city of Mannheim pronounced Peter Graf, 58, guilty on six counts of tax evasion.

A former tax adviser for the family, Joachim Eckhardt, was sentenced to 30 months in prison for assisting in the crimes.

The presiding judge in the case, Joachim Plass, concluded that the tennis star herself "played no active part" in the illicit efforts to shelter her winnings. He recommended that investigations into her role be dropped.

"Peter Graf alone bears most of the responsibility," the judge said after finding him guilty of evading $7.31 million in taxes and attempted evasion of $1.82 million more. Mr. Graf had been accused of evading taxes on her earnings between 1989 and 1993.

Mr. Graf left the courtroom surrounded by bodyguards, making no comment about the verdict and giving no indication about whether he would file an appeal.

The prosecutor, Hubert Jobski, had sought to have Mr. Graf imprisoned for six years and nine months. He said he would appeal to a higher court against the shorter sentence.

But Mr. Graf's attorney, Franz Salditt, thanked the judge for handling the trial "in perfect manner" and said the court's exoneration of Miss Graf was a crucial victory for the defense.

"One of the most important points for us and for the Graf family is that the court wants prosecutors to close the files in the case of Stefanie Graf," Mr. Salditt said.

Miss Graf did not attend any of the trial. When the verdict was announced Friday, she was recovering in Australia from heatstroke and an infected toe that she had suffered during her fourth-round loss in the Australian Open on Sunday.

Later, she boarded a flight to Japan

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Kai Pfaffenbach/Reuters

Peter Graf, the father of German tennis star Steffi Graf, awaiting the verdict in a Mannheim court.

Chasm Across Eastern Europe Splits Stable Nations From Poor

While Budapest Blossoms, Bucharest Languishes

By Jane Perlez
New York Times Service

SOFIA — Svetlana Raykova should represent the hope for the future of this shattered country. As generations of her family have done before her, she would like to marry and settle down.

But years of misrule by the Communists have left Bulgaria's economy in ruins. Hundreds of thousands have fled. For the past two weeks, protesters have filled the streets. And Miss Raykova now has doubts. She thinks of leaving.

"I like my country and its traditions," said Miss Raykova, 23, a language student at Sofia University, as she sat in her parents' cramped apartment, where she helps make ends meet by giving English lessons. "But the government and the economic situation often make it impossible to see why I should stay."

Susan Langi, on the other hand, likes what she sees of her future in Hungary. A law student with fluent English, Miss Langi, 27, has a multitude of career opportunities at home and abroad. But because Budapest has blossomed, she has decided that she will stay and go into banking.

With fading memories of the jubilation at the collapse of communism seven years ago, there is a new divide — some call it the latter-day Iron Curtain — between have and have-not nations of Central and Eastern Europe. Only in the former does the joy remain.

Poland, Hungary and the Czech Republic, more prosperous and stable, are cruising toward Western Europe, their membership in the Organization for Economic Cooperation and Development, the prestigious club of industrialized nations, already sealed. Their entrance into NATO and the European Union is a matter of when, not if.

Languishing to the south and east lie much poorer Bulgaria, Romania and Albania, where a legacy of Communist rule and a reluctance to undertake market reforms have left faltering economies awash in corruption. Even citizens lucky enough to have reliable incomes find themselves barred from visiting Western Europe because their countries are on the European Union's "negative visa" list, along with Zambia and Afghanistan, for example.

A New York University historian, Tony Judt, writing about this European division in his recent book "A Grand Illusion? An Essay on Europe," predicted that the EU, motivated in part by sentiment, would probably extend its "protective arm" around the old centers of the Hapsburg empire: Poland, the Czech Republic, Hungary and perhaps Slovenia.

Influenced by Western ideas and religion, and by the experience of pre-World War II capitalism, those countries have been the better students of reform. They have been protected from their worst nationalist instincts, their leaders assert, by the lure of Europe and the promise made in the early 1990s that they could join NATO if they met certain economic and democratic standards.

These countries will scrape into the fold of Europe, Mr. Judt said; the others will not. Thus, there will develop "a sort of depressed Eurosuburb beyond which 'Byzantine Europe' would be

See DIVIDE, Page 6

Football Numbers Say the Big Loser Is the NFL

By Paul Farhi
Washington Post Service

WASHINGTON — While the National Football League won't crown its annual champion until after the Super Bowl on Sunday, the season's biggest loser has already been determined: the NFL itself.

Pro football, America's favorite TV sport for more than two decades, has been in a tailspin. Ratings for regular-season games were down on all five networks that carried NFL games, the second successive year of across-the-board declines.

Executives at the Fox network, which will show Sunday's game, saw their Nielsen numbers plummet 10 percent this season; ABC's "Monday Night Football" recorded its lowest ratings ever.

Together with declining attendance at NFL games, the numbers suggest that pro football's grip on fans may be weakening after a long rise.

Pro games are still the top sporting attraction on television — and they still drew 14.5 million spectators to the stadiums this season, about 500,000 fewer than a year ago — but the downward trend has touched off discussion among advertisers, network executives and NFL officials about whether pro football's best years are behind it.

"You can look at these figures any way you want to, but the bottom line is fewer people are watching the NFL," said Jack Loftus, a spokesman for Nielsen Media Research.

Officially, the league says it isn't worried. Pro football still has a lock on male viewers, particularly those aged 18 to 34, Val Pinchbeck, the league's senior vice

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Jon Freisch/The Associated Press

Two workers lowering a reproduction of the Super Bowl trophy at the Louisiana Superdome, where the professional football championship will be played Sunday.

Summit Put Off, Renewing Doubt On Yeltsin Health

Compiled by Our Staff From Dispatches

MOSCOW — The uncertainty surrounding President Boris Yeltsin's health deepened Friday when the Kremlin announced that a regional summit meeting he was to have led next week had been postponed indefinitely.

The report came just an hour after Mr. Yeltsin's press secretary acknowledged that the president's condition "is not so good as to expect an immediate, hurried return to the Kremlin."

The meeting Wednesday of leaders of the Commonwealth of Independent States, an alliance of 12 former Soviet republics, had been regarded as a key indication of Mr. Yeltsin's true condition. The Russian leader, 65, who is recovering from pneumonia, has not been seen in public or photographed since Jan. 6.

His press secretary, Sergei Yastrzhembsky, said at a briefing Friday that his agenda of scheduled events remained unchanged. But an hour later, a spokesman for the president's press service, Alexander Solovsky, announced the meeting had been put off.

"The president clearly has a huge, burning desire to return as soon as possible to carrying out his duties in full," he said.

"But on the other hand the president has not

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Setting a Price on 'Women's Work'

A U.S. Divorce Court Must Decide if Being a Corporate Wife Is a Career

By Judith H. Dobrzynski
New York Times Service

NEW YORK — He works at full-throttle. She raises the children and creates the elegant home. She plays hostess at business dinner parties, orchestrates charity events, relocates on command, accompanies him on trips and listens to his office woes. She is the corporate wife, and her career, she believes, is managing her husband's career.

But how much is her contribution worth? A divorce case in Connecticut involving a General Electric Co. executive worth as much as $100 million puts a fresh spin on that question — and, in the process, is rattling the American corporate elite. Its resolution, many people say, will be a verdict on the institution of marriage itself and on the value of the supportive duties traditionally known as "women's work."

The plaintiff, Lorna Wendt, turned down a $10 million settlement from her husband of 31 years, Gary Wendt, the chief executive of GE Capital Corp. Invoking economic theory, she is arguing that her performance as a corporate wife was an investment, entitling her to half the family fortune.

"Gary wanted to buy out my partnership, and I didn't want to be bought out," she said, using language she learned in her role. "It's like a hostile takeover — he offered me a very small percentage, and I said that's not the price of the buyout."

The case breaks new ground because in divorce, too, the rich are different. While a 50-50 settlement is common practice for ordinary people — indeed, the law in 11 community property states — American courts elsewhere generally balk at awarding the wife half when an estate is worth more than $10 million or $15 million. The wife is awarded what she needs to live in the style to which the pair had become accustomed.

There is little wonder why the executive set is following the Wendt case closely. As executive pay and stock option awards have ballooned in recent years, a growing number of top managers — particularly those in high technology, on Wall Street and in the media/entertainment world — have substantial assets at risk.

Most divorce cases, whether the couple are wealthy or not, are settled out of court. So Mrs. Wendt's persistence is unusual. But Mr. Wendt will not quit, either. "She was not responsible for my success," he said. "This is about who created and preserved the assets."

Since reports of the Wendt case arose in December, it has sparked heated con-

See PARTNER, Page 6

The Dollar

New York	Friday close	previous close
DM	1.6296	1.6324
Pound	1.629	1.6314
Yen	118.90	119.35
FF	5.4965	5.5095

The Dow

change	Friday close	previous close
-59.27	6698.48	6755.75

S&P 500

change	Friday close	previous close
-7.04	770.52	777.56

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Newsstand Prices

Andorra	10.00 FF	Lebanon	LL 3,000
Antilles	12.50 FF	Morocco	16 Dh
Cameroon	1,600 CFA	Qatar	10.00 Rials
Egypt	EE 5.50	Réunion	12.50 FF
France	10.00 FF	Saudi Arabia	10.00 R.
Gabon	1100 CFA	Senegal	1,100 CFA
Greece	350 Dr.	Spain	225 PTAS
Italy	2,800 Lire	Tunisia	1,250 Din
Ivory Coast	1,250 CFA	U.A.E.	10.00 Dirh
Jordan	1,250 JD	U.S. Mil. (Eur.)	$1.20

AGENDA

Albright Vows to 'Tell It Like It Is'

The new U.S. secretary of state, Madeleine Albright, pledged Friday to "tell it like it is" to China on human-rights issues and the future of Hong Kong but said U.S.-Chinese relations could not be held hostage to any single issue.

She also said she would travel to Europe and Asia next month to visit leaders whom she met when she was chief U.S. representative to the United Nations. At a news conference, Mrs. Albright assailed the Castro regime in Cuba as "an embarrassment to the Western Hemisphere," emphasized that the expansion of NATO was a priority but said she understood the Russians were not happy about it and that she would try to work with them on the issue. Page 3.

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Bonn and Paris Weigh Nuclear Policy

THE AMERICAS Page 3.
New Dispute on Mammograms

MIDDLE EAST Page 5.
Is Saddam's Son Udai Paralyzed?

INTERNATIONAL Page 6.
The TV War for Control of Chechnya

A Tory 'Original'

The British Conservative Party has welcomed back its most wanton former official: Alan Clark, the man who had an affair with the wife of a judge and then seduced her two daughters. He also gave Commons speeches when drunk and helped cover up tool exporters' contributions to Iraq. Prime Minister John Major calls him "an original." Page 6.

EU's Carrot Not Good Enough to Heal the Cyprus Split

By Tom Buerkle
International Herald Tribune

BRUSSELS — Just a few months ago, senior European and U.S. officials expressed hope that the prospect of Cyprus's entering into membership negotiations with the European Union would provide the carrot to make this the year to resolve the island's bitter political divide.

But far from seeing moderation among Greek and Turkish Cypriots and their respective backers in Athens and Ankara, Western officials find a hardening of positions on both sides that appears to make a settlement more difficult.

Even more worrying, the conflict has threatened to turn the West's major security organizations into hostages. Greek officials suggest that Athens could veto EU membership for Poland and other Eastern European countries unless Cyprus gets in too, while Turkey has hinted at blocking the enlargement of NATO unless it gets better treatment from the European Union.

Foreign Minister Tansu Ciller was expected to press specifically for the release of 375 million European currency units ($446 million) of EU aid, currently blocked by Greece, and a chance to enter the EU when she meets the foreign ministers of Germany, France, Britain, Italy and Spain in Rome on Wednesday.

The recent turn of events has dampened hopes of a permanent Cyprus settlement, notwithstanding the successful defusing of a crisis over anti-aircraft missiles by a special U.S. envoy last week, European and U.S. officials say.

"It's spoiled the political atmosphere," a U.S. official said, referring to the Cypriot government's purchase of missiles from Russia. "And we're seeing rising tensions between Greece and Turkey themselves. It's hard enough to solve Cyprus, let alone all the problems between Greece and Turkey."

The tensions were underscored Friday when Turkey sent three naval vessels to visit the breakaway Turkish Cypriot state in a show of strength. Turkey, which maintains some 30,000 troops in the north, has threatened a military attack if the Cypriot government in Nicosia deploys the missiles.

Despite the recent setback, European and U.S. officials say they will keep pressing for a Cyprus solution because the prospect of EU membership talks continues to offer the best hope of a breakthrough.

"This is a year in which an international effort can be made in Cyprus," said Carey Cavanaugh, the U.S. envoy who last week won guarantees from the Cypriot government not to import the missiles for 16 months.

EU leaders have committed themselves to include Cyprus with the first group of Eastern European countries that are scheduled to open membership negotiations early in 1998.

At the European Commission, the EU executive agency that is handling preparations for enlargement, officials say the commitment is real and should exert pressure on both Turkey and Greece.

The EU will open talks with the Greek Cypriot government on behalf of the entire island, a worrying prospect for Turkey. At the same time, however, EU officials are warning Nicosia and Athens that the bloc will never admit the island as long as it remains divided.

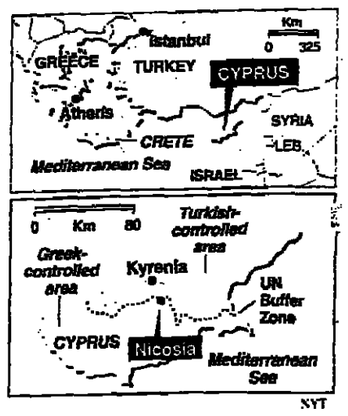
Foreign Minister Klaus Kinkel of Germany voiced the growing impatience at a meeting of EU foreign ministers here Monday, saying, "Anyone who wants to join the EU must know that the EU cannot deal with the accession of new members that bring in additional external problems."

U.S. officials, meanwhile, say they hope to build on the missile deal with other confidence-heightening measures, leading to direct talks in coming months between President Glavcos Klerides of Cyprus and the Turkish Cypriot leader, Rauf Denktash.

Mr. Cavanaugh, who met with EU officials in Brussels on his way back to Washington, expressed disappointment at the rejection by the Cypriot and Greek governments last week of a proposed moratorium on Greek and Turkish military flights over Cyprus, but he promised to continue to seek a ban.

Washington believes a ban would resolve the underlying security concern behind the missile crisis, but the Cypriot government said an accord would be an unacceptable acknowledgment of Turkish control over the island's airspace.

The prospects for direct talks also appear mixed at best, with Mr. Klerides waiting for Turkey to endorse EU membership for a united Cyprus and Mr. Denktash seeking security guarantees for the island's Turkish population.



NYT

Bonn and Paris Weigh Atomic Policy

'Inseparable' Security Interests Push Joint Defense Strategy

By Craig R. Whitney
New York Times Service

PARIS — France and Germany have agreed to open discussions on adding a nuclear dimension to European defense policy, according to a secret joint strategy paper signed by leaders of the two countries last month that was published Friday by the newspaper Le Monde.

Chancellor Helmut Kohl of Germany and President Jacques Chirac of France agreed in the paper that their security interests had become "inseparable," according to the document, and agreed to open "a dialogue on the role of nuclear deterrence in the context of a European defense policy."

But they agreed that a distinctly European defense would evolve within, not outside, the reconfigured NATO alliance that is expected to be approved at a summit meeting in Madrid early in July.

The authenticity of the document was confirmed by French officials, who said it had been submitted to the French and German Parliaments for discussion before official publication.

France and Britain each have national nuclear deterrent forces of their own, but until now France's atomic weapons have been dedicated solely to deterring attack on French territory. Germany and the other NATO allies have relied largely on the U.S. nuclear deterrent for protection from outside attack.

That threat vanished with the collapse of the Soviet Union in 1991, but with continuing instability in Russia and other countries that it once ruled, the French and German leaders agreed, "a fundamental change in European security conditions cannot be excluded."

More evidence of closeness in the French and German defense positions was the German support for a French demand last year for the United States to give up a key NATO command in Naples, where the U.S. 6th Fleet is based, to a European officer as part of the planned renovation of the alliance.

Mr. Chirac's insistence on that demand led to a turn for the worse in U.S.-French relations.

He has not formally dropped it, according to French and American diplomats here and at NATO headquarters in Brussels, but the French tone has changed from one of confrontation to conciliation.

Herve de Charette, the French foreign minister, this week described the bid for Naples as a "proposition" rather than a "demand."

In an interview published by the Financial Times on Thursday, he said: "If we succeed, I don't see the French staging a celebration on the Champs Elysees — any more than, if we fail, they are going to march on the Bastille."

Defense Minister Charles Millon has said that, unless France was satisfied on the Naples issue, it will not rejoin the NATO military command structure that it pulled out of in 1966, despite Mr. Chirac's pledge a year ago to do so.

A U.S. diplomat in Brussels said, "They are really holding the line on the Naples issue, but they've started a charm offensive."

French Foreign Ministry officials here said that Mr. de Charette was hoping to restore relations with the United States to more cordial levels in talks with the new secretary of state, Madeleine Albright.

A NATO official said that the allies would soon have to decide whether to proceed with the reorganization without the French if the Naples issue is not quickly resolved.

The prevailing American view is that the French got themselves into trouble by making a patently unacceptable demand, one that the new U.S. defense secretary, William Cohen, again rejected in his confirmation hearings this week.

Besides, an American official pointed out, Mr. Chirac has embarked on a 10-year reorganization of the French military that will transform large parts of it into rapid-reaction mobile task forces dependent on a bigger air transport capacity than France will then have to fly them to trouble spots like former French colonies in Africa or Bosnia.

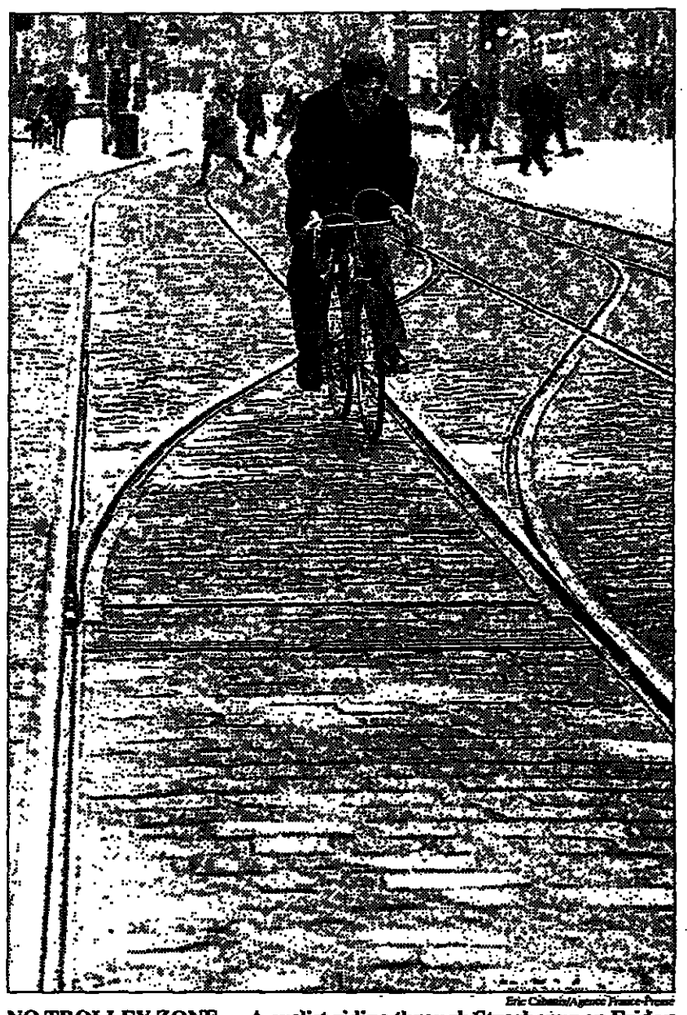
For this reason, the American thinking goes, France needs NATO, and hence a joint French-German approach to a clearer European defense identity that will command more respect from the United States in the alliance.

What form a European nuclear deterrent would take is not clear, though it would apparently serve the purpose of taking some of the heat off the French for going it alone for so long.

There was a world outcry when Mr. Chirac resumed French nuclear testing in 1995, but before he ended it again a year ago, his prime minister, Alain Juppe, made a gesture to Germany by offering "concerted deterrence" with France's European allies.

Germany forswore nuclear weapons of its own after World War II, but, according to a recent book by de Gaulle's spokesman, Alain Peyrefitte, it reached a secret agreement with a French government in the 1950s to produce atomic arms jointly. De Gaulle told Mr. Peyrefitte that he had rescinded the accord when he became president in 1958.

More recently, Germany has had practical joint control with the United States over the American nuclear weapons stationed on its soil.


Eric Cabanis/Agence France-Presse

NO TROLLEY ZONE — A cyclist riding through Strasbourg on Friday as transportation workers heeded a strike in several French cities.

BRIEFLY EUROPE

Serb Agreement On Local Media

BELGRADE — Serbian hardliners and opposition leaders from a provincial city where political violence has flared struck a compromise deal Friday over the control of local media.

In the industrial city of Kragujevac, south of Belgrade, opposition officials who took control in municipal elections last November said they had negotiated a temporary accord with the Socialist Party after it refused to give up control of the media.

But minutes after the deal was struck, the governing Socialist Party led by President Slobodan Milosevic assailed the opposition Zajedno coalition, saying it was "destabilizing" the country.

A spokesman for the opposition said that, under the agreement, which is valid until the country's courts deliver a final ruling, Radio Kragujevac would broadcast only commercial and entertainment programs. The Socialists had moved to integrate Kragujevac's radio and television stations into the state-controlled national television network, a move a Belgrade court later ruled illegal.

The Serbian network appealed to a higher court and sent the police into the radio and television buildings Thursday to prevent the opposition from taking over, prompting thousands of Zajedno supporters to surround the station. The incidents led to violent incidents in which riot police clubbed protesters, including a member of Parliament. *(Reuters)*

Austria Appoints New Finance Chief

VIENNA — Austria's chancellor-designat, Viktor Klima, on Friday appointed Vienna's finance chief, Rudolf Edlinger, as finance minister, dashing market hopes for an expert outsider rather than a career politician.

Mr. Edlinger, a Social Democrat, was the final cabinet appointment. President Thomas Klestil will swear it in Tuesday. Mr. Edlinger will be in charge of steering Austria into Europe's economic and monetary union. *(Reuters)*

EC Faces Censure Over 'Mad Cow'

BRUSSELS — The European Parliament is moving toward a censure motion accusing the European Commission of mishandling the "mad cow" crisis, parliamentary sources said Friday.

The president of its inquiry, Reimer Boege, a German Christian Democrat, now backs a conditional censure vote unless the commission improves its veterinary services and controls within a year, they said.

"The committee is toughening its stance," said a parliamentary source, referring to a committee of inquiry into bovine spongiform encephalopathy. *(Reuters)*

FOR SALE

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Fog Takes Deadly Toll in Netherlands

Compiled by Our Staff From Dispatches

AMSTERDAM — Heavy fog blanketing the Netherlands caused traffic chaos Friday that left at least three people dead, the authorities said.

One chain of collisions, involving up to 100 cars, took place on the A9 highway, which skirts western Amsterdam and carries traffic to and from North Sea coastal towns.

Television images showed the tangled wreckage of cars piled on top of one another while dazed and bleeding drivers were helped away by emergency services.

"People were driving a bit too fast" in thick mist, said Alfred Folgerts, a spokesman for the National Police Service Agency.

"Two motorists were killed outright and another later died in the hospital," he said.

He added that said 39 people had been hurt, 15 seriously.

A string of other pileups in northern and central Netherlands involved several hundred vehicles, but there were no reports of serious injuries, he said.

The accidents occurred in the morning, but the authorities were still clearing away wreckage hours later.

Thick fog also caused delays at Schiphol Airport outside Amsterdam, especially for flights to other European capitals, said an airport spokeswoman, Ingrid Pouw.

Six people were killed in a head-on collision in thick fog near the central city of Stroe late Thursday night. A seventh person, injured in the accident, was still in serious condition in the hospital. *(AP, Reuters)*

TRAVEL UPDATE

Milan Airport Closed For Nearly 3 Hours

MILAN (AP) — Escalating protests by dairy farmers forced the authorities to close one of Italy's busiest airports Friday during a peak afternoon travel period.

Dozens of flights from Linate Airport were canceled and more were diverted to nearby airfields during the two-and-a-half-hour closure.

Security officials ordered the airport to stop operations at about 4 P.M. after protesters blocked all roads leading to the airport, airline operators said. Linate handles domestic traffic and most flights within Europe.

The airport was reopened when the protesters withdrew their blockades.

Venice Will Refurbish 15th-Century Tower

VENICE (Reuters) — The 15th century clock tower in St. Mark's Square in Venice will undergo two years of restoration starting in March, officials said Friday. The project is intended to be completed by 1999, when the tower will be 500 years old.

Work on the tower will be carried out by the city council, while the clock's workings will be restored by the Swiss watchmaker Piaget. Costs were not disclosed.

The tower is the most celebrated of the Italian Renaissance. The clock's dial is decorated with the signs of the zodiac, and two giant bronze Moors strike the hours.

U.K. Warns Travelers To Greece of Delays

ATHENS (Reuters) — Britain has warned visitors to Greece that a transportation backlog from a seamen's strike and the renewed threat of a road blockade by farmers could disrupt their travel plans, the British Consulate in Athens said Friday.

The British consul, Gordon Bernard, said the advisory was not intended to deter people from visiting Greece. "It's making them aware of problems and advising them to check the situation before they arrive," he said.

Continental Airlines will start service to Birmingham, England, from its hub at Newark International Airport on July 1.

RELIGIOUS SERVICES

AMSTERDAM

CROSSROADS INTERNATIONAL CHURCH Interdenominational & Evangelical Sunday Service 10:00 a.m. & 11:30 a.m./ Kids Welcome. De Cuserstraat 3, S. Amsterdam Info. 020-641 8812 or 020-6451 653.

FRANCE/TOULOUSE

HOPE INTERNATIONAL CHURCH (Evangelical). 4, bd. de Pibrac, Colomier. Sunday service. 6:30 p.m.Tel.: 05 62 74 11 55.

FRENCH RIVIERA/CÔTE D'AZUR

NICE: Holy Trinity (Anglican), 11 rue Bulla, Sun. 11; **VENCE:** St Hugh's, 22, av. Résistance, 9 a.m. Tel: 33 04 93 87 19 83.

MONTE CARLO

MONACO CHRISTIAN FELLOWSHIP Worship Service, Sundays: 11 a.m. 9, rue Louis Notary, Monte Carlo. Tel.: 377 92 16 56 47.

MUNICH

INTERNATIONAL COMMUNITY CHURCH. Evangelical Bible Believing services in English 4:30 p.m. Sundays at Enhubenstr. 10 (U2 Theresienstr.) (089) 650-8617.

PARIS and SUBURBS

EMMANUEL BAPTIST CHURCH - An evangelical church in the western suburbs, all are welcome. 9:45 First Service concurrent with Sunday School, 11:00 Second Service with Children's Church. French Service 6:30 p.m. 56, rue des Bons-Raisins, 92500 Rueil-Malmaison. For info. call 01 47 51 29 63.

HOPE INTERNATIONAL CHURCH Hotel Orion at Paris-la-Défense, 8 bd. de Neuilly. Worship Sundays 9:30 a.m. Rev. Douglas Miller, Pastor. Tel.: 01 43 33 04 06. Métro 1 to la Défense Esplanade.

SAINT JOSEPH'S CHURCH (Roman Catholic). MASS IN ENGLISH: Sat. 6:30 p.m.; Sun. 9:45, 11:00 a.m., 12:15, 6:30 p.m. 50, avenue Hoche, Paris 8th. Tel.: 01 42 27 28 56. Metro: Charles de Gaulle - Etoile.

ST. MICHAEL'S CHURCH (evangelical Anglican). Sundays 10:30 a.m. (with children's club and creche) and 6:30 p.m. Midweek study groups. Christ-centered fellowship in the heart of Paris. 5 rue d'Agueseau, 75008. Tel.: 01.47.42.70.88. Metro: Concorde.

TOKYO

ST. PAUL INTERNATIONAL LUTHERAN CHURCH, near Iidabashi Stn. Tel.: 3261-3740. Worship Service: 9:30 a.m. Sundays.

TOKYO UNION CHURCH, near Omotesando Subway Sta. Tel.: 3400-0047. Worship Services: Sunday - 8:30 & 11:00 a.m., SS at 9:45 a.m.

SWITZERLAND

BASEL CHRISTIAN FELLOWSHIP English-Speaking non-denominational. Tel. +41 61 302 1674. Sundays 10:30 Mittlere Strasse 13, CH-4056 Basel.

THE EPISCOPAL CHURCHES OF EUROPE (Anglican)

PARIS and SUBURBS

THE AMERICAN CATHEDRAL OF THE HOLY TRINITY, Sun. 9 & 11 a.m., 10:45 a.m. Sunday School for children and Nursery care. Third Sunday 5 p.m. Evensong. 23, avenue George V, Paris 75008. Tel.: 33-01 53 23 84 00. Metro: George V or Alma Marceau.

FLORENCE

ST. JAMES' CHURCH, Sun. 9 a.m. Rite I & 11 a.m. Rite II. Via Bernardo Rucellai 9, 50123, Florence, Italy. Tel.: 39/55 29 44 17.

FRANKFURT

CHURCH OF CHRIST THE KING (Episcopal/Anglican) Sun. Holy Communion 9 & 11 a.m. Sunday School and Nursery 10:45 a.m. Sebastian Rinz St. 22, 60323 Frankfurt, Germany. U1, 2, 3 Miquel-Allee. Tel: 49/69 55 01 84.

GENEVA

EMMANUEL CHURCH, 1st & 3rd Sun. 10 a.m. Eucharist; 2nd & 4th Sun. Morning Prayer. 3 rue de Monthoux, 1201 Geneva, Switzerland. Tel.: 41/22 732 80 78.

MUNICH

THE CHURCH OF THE ASCENSION, Sun. 11:45 a.m. Holy Eucharist and Sunday School. Nursery Care provided. Seybothstrasse 4, 81545 Munich (Harlaching), Germany. Tel.: 49/89 64 81 85.

ROME

ST. PAUL'S WITHIN-THE-WALLS, Sun. 8:30 a.m. Holy Eucharist Rite I: 10:30 a.m. Choral Eucharist Rite II; 10:30 a.m. Church School for children & Nursery care provided; 1 p.m. Spanish Eucharist. Via Napoli 58, 00184 Rome. Tel.: 39/6 488 3339 or 39/6 474 3569.

BRUSSELS/WATERLOO

ALL SAINTS' CHURCH, 1st Sun. 9 & 11:15 a.m. Holy Eucharist with Children's Chapel at 11:15. All other Sundays: 11:15 a.m. Holy Eucharist and Sunday School. 563 Chaussée de Louvain, Ohain, Belgium. Tel. 32/2 384-3556.

WIESBADEN

THE CHURCH OF ST. AUGUSTINE OF CANTERBURY, Sun. 10 a.m. Family Eucharist. Frankfurter Strasse 3, Wiesbaden, Germany. Tel.: 49/611.30.66.74.

EUROPEAN BAPTIST CONVENTION

BERLIN

I.B.C., BERLIN. Rothenburg Str. 13, (Steglitz). Sunday, Bible study 10.45, worship Service 12.00 noon. Charles Warlord, pastor. Tel.: 030-774-4670.

BREMEN

I.B.C., Hohenlohestr. Hermann-Bose-Str. Worship Sun. 17:00, Pastor telephone: 04791-12677.

BUCHAREST

I.B.C., Strada Popa Rusu 22. 3:00 p.m. Contact Pastor Mike Kemper, Tel. 312 3880.

BUDAPEST

I.B.C., meets at Morics Zsigmond Gimnazium, Torokvesz ut 48-54, Sun. 10:00. Tel. 250-3932.

BULGARIA

I.B.C., World Trade Center, 36, Drahan Tzankov Blvd. Worship 11:00. James Duke, Pastor. Tel.: 689 666.

FRANKFURT

INTERNATIONAL CHRISTIAN FELLOWSHIP, Sodenerstr. 11-18, 63150 Bad Homburg. A friendly, Christ-centered, church serving the English-speaking community. Sunday Worship, S.S. & Nursery 09:45. Weekday Groups. Pastor, M.P. Levey. Call 06173-62728.

BETHEL I.B.C. Am Dachsberg 92 (English). Worship Sun. 11:00 a.m. and 6:00 p.m. Tel.: 069-549559.

HOLLAND

TRINITY INTERNATIONAL invites you to a Christ centered fellowship. Services: 9:00 and 10:30 a.m. Bloemcamplaan 54, Wassenaar 070-517-8024 nursery prov.

NICE - FRANCE

I.B.C. 13 rue Vernier. English service, Sunday evening 18:30, pastor Roy Miller - Tel.: (04 93) 32 05 96.

PRAGUE

I.B. FELLOWSHIP, Vinohradska # 68, Prague 3. Sun. 11:00. Tel.: (02) 311 7974.

WATERLOO

WATERLOO BAPTIST FELLOWSHIP Sun. 19:00 at Swedish Church, across from MacDonalds, Tel.: (02) 353 1585.

ZURICH - SWITZERLAND

I.B.C of Zürich, Gheistrasse 31, 8803 Rüschlikon, Worship Services Sunday mornings 10:30. Tel.: 1-4810018.

ASSOC. OF INT'L CHURCHES

BERLIN

AMERICAN CHURCH IN BERLIN, cor. of Clay Allee & Potsdamer Str., S.S. 9:30 a.m., Worship 11 a.m. Tel.: 030-8132021.

FRANKFURT

TRINITY LUTHERAN CHURCH. Nibelungenallee 54, Sun. Worship 11 a.m. Tel. 069/95631068 or 512252.

GENEVA

EV. LUTHERAN CHURCH 20 rue Verdaine. Sunday worship 9:30, in German 11:00 in English. Tel: (022) 310.50.89.

JERUSALEM

LUTHERAN CHURCH of the Redeemer, Old City, Muristan Rd. English worship Sun. 9 a.m. All are welcome. Tel.: (02) 6281-049.

PARIS

AMERICAN CHURCH IN PARIS. Worship 11:00 a.m. 65, Quai d'Orsay, Paris 7. Bus 63 at door, Metro Alma-Marceau or Invalides.

VIENNA

VIENNA COMMUNITY CHURCH. Sunday worship in English 11:30 A.M., Sunday school, nursery, international, all denominations welcome. Dorotheergasse 18, Vienna 1.

ZURICH

INTERNATIONAL PROTESTANT CHURCH English speaking, worship service. Sunday School & Nursery. Sundays 11:30 a.m., Schanzengasse 25. Tel.: (01) 2625525.

UNITARIAN UNIVERSALIST

UNITARIAN UNIVERSALIST FELLOWSHIP OF PARIS invites you to a Martin Luther King memorial service "On Freedom's Trail." Jan. 26th, 12 noon Foyer de l'Ame, 7bis, rue du Pasteur Wagner, 11e. M° Basille. All are welcome! Religious education for teens and children. Meditation and spiritual growth groups. Social activities. INFO: 01 30 82 75 33.

WEATHER

Europe

	Today High	Today Low	W	Tomorrow High	Tomorrow Low	W
	C/F	C/F		C/F	C/F	
Algarve	18/61	9/48	pc	16/61	9/48	pc
Amsterdam	6/43	2/35	s	5/41	1/34	pc
Ankara	3/37	-9/16	c	-4/25	-13/9	pc
Athens	17/62	8/46	s	9/48	3/37	c
Barcelona	11/52	8/46	r	11/52	4/39	sh
Belgrade	4/39	-7/20	c	-1/31	-7/20	s
Berlin	4/39	2/35	c	7/44	4/39	pc
Brussels	7/44	3/37	pc	6/43	1/34	pc
Budapest	2/35	-7/20	pc	2/35	-5/23	s
Copenhagen	2/35	-5/23	c	3/37	1/34	s
Costa Del Sol	15/59	9/48	c	16/61	8/46	c
Dublin	12/53	8/46	c	11/52	7/44	pc
Edinburgh	8/46	6/43	pc	10/50	6/43	pc
Florence	9/48	4/39	sh	6/43	0/32	c
Frankfurt	2/35	-4/25	pc	1/34	-2/27	pc
Geneva	6/43	2/35	pc	6/43	-2/28	c
Helsinki	-3/27	-7/20	s	2/35	-2/28	pc
Istanbul	8/46	3/37	sh	7/44	3/37	pc
Las Palmas	22/71	18/64	pc	22/71	17/62	c
Lisbon	14/57	9/48	pc	13/55	9/48	c
London	7/44	2/35	pc	13/55	7/44	pc
Madrid	11/52	7/44	sh	12/53	1/34	pc
Mallorca	15/59	8/46	r	10/50	5/41	sh
Milan	8/46	1/34	c	2/35	-4/25	sn
Moscow	-4/25	-14/7	sn	-7/20	-11/13	c
Munich	7/44	0/32	sh	4/39	-4/25	c
Nice	12/53	9/48	sh	9/48	3/37	c
Oslo	-3/27	-5/24	pc	4/39	-1/31	s
Paris	6/43	3/37	c	6/43	1/34	pc
Prague	3/37	-5/24	c	1/34	-4/25	pc
Reykjavik	-1/31	-8/18	pn	-6/22	-8/22	sn
Rome	17/62	6/43	pc	14/57	4/39	sn
St. Petersburg	-6/22	-8/18	pc	1/34	-1/31	c
Stockholm	1/34	-4/25	s	3/37	1/34	pc
Strasbourg	7/44	2/35	c	7/44	1/34	sh
Tallinn	-3/27	-7/20	s	2/35	-1/31	pc
Vienna	6/43	1/34	c	3/37	-4/25	sn
Vilnius	2/35	-3/27	c	5/41	0/32	pc
Warsaw	1/34	-4/25	pc	2/35	0/32	s
Zurich	7/44	2/35	c	5/41	-1/31	sh

Middle East

Abu Dhabi	18/64	13/55	r	19/66	8/48	pc
Beirut	15/61	11/52	pc	15/61	10/50	c
Cairo	18/64	7/44	s	19/66	8/48	s
Damascus	11/52	3/37	s	12/53	4/39	pc
Jerusalem	11/52	3/37	s	11/52	4/39	pc
Luxor	20/68	3/37	s	23/73	6/43	s
Riyadh	15/59	2/35	pc	18/64	6/43	s

Forecast for Sunday through Tuesday, as provided by AccuWeather.

North America

A brief shot of cold air will swing from the Great Lakes into the mid-Atlantic and Northeast Sunday into Monday. The rest of the nation will have near- to above-normal temperatures. A large storm will move into the Plains Monday, while the Northwest stays unsettled.

Europe

An upper-level disturbance will keep central Europe unsettled; otherwise, much of the continent will be dry with near- to above-normal temperatures into next week. However, parts of western Europe may be a bit on the cold side of normal. Turning noticeably cooler across Italy and southeast Europe.

Asia

Unseasonably cold across Manchuria, both Koreas and much of Japan into next week; unsettled in Japan. Northeast China, including Beijing, will turn noticeably colder early next week. Seasonable in Hong Kong and Singapore, though showers could affect Hong Kong each day.

North America

	Today High	Today Low	W	Tomorrow High	Tomorrow Low	W
	C/F	C/F		C/F	C/F	
Anchorage	-9/16	-21/-5	pc	-14/7	-22/-7	pc
Atlanta	13/55	-2/29	s	8/46	-1/31	pc
Boston	9/48	0/32	r	2/35	-12/11	pc
Chicago	-6/18	-13/9	c	-7/20	-11/13	pc
Dallas	15/61	4/39	s	16/61	7/44	pc
Denver	6/43	-8/18	pc	12/53	-3/27	pc
Detroit	-3/27	-12/11	sn	-7/20	-13/11	pc
Honolulu	29/79	19/66	c	27/80	18/64	pc
Houston	21/70	9/48	pc	19/66	8/46	pc
Los Angeles	18/64	10/50	sh	20/68	8/48	pc
Miami	26/79	17/62	pc	26/77	16/61	pc
Minneapolis	-16/4	-24/-11	pc	-11/13	-14/7	pc
Montreal	7/44	-3/27	r	-2/28	-9/-11	pc
Nassau	29/79	18/66	s	29/79	18/64	pc
New York	11/52	-3/27	r	0/32	-8/22	pc
Orlando	29/79	12/53	pc	19/66	9/48	s
Phoenix	22/71	11/52	pc	22/71	11/52	pc
San Fran.	16/61	10/50	r	15/59	10/50	sh
Seattle	3/37	-1/31	c	8/46	3/37	sh
Toronto	6/43	-12/11	sn	-11/13	-17/2	pc
Vancouver	-2/28	-2/28	pc	8/46	2/35	sh
Washington	12/53	0/32	sh	3/37	-7/20	s

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, i-ice, W-Weather. All maps, forecasts and data provided by AccuWeather, Inc. © 1997

Asia

	Today High	Today Low	W	Tomorrow High	Tomorrow Low	W
	C/F	C/F		C/F	C/F	
Bali	32/89	24/75	t	32/91	24/75	c
Bangkok	31/88	20/68	pc	29/84	20/68	pc
Beijing	7/44	-5/22	s	5/37	-8/18	s
Bombay	29/84	16/59	s	30/86	16/61	s
Calcutta	24/75	9/48	s	25/77	10/50	s
Chiang Mai	31/88	19/64	pc	30/86	19/66	pc
Colombo	29/84	21/70	s	29/84	21/70	s
Hanoi	18/64	12/53	pc	17/62	12/53	pc
Ho Chi Minh	33/91	21/70	pc	32/89	21/70	pc
Hong Kong	15/59	11/52	pc	16/61	11/52	pc
Islamabad	16/61	0/32	s	17/62	0/48	pc
Jakarta	29/84	24/75	t	29/84	23/73	c
Karachi	22/71	9/48	s	24/75	11/52	s
K. Lumpur	32/89	22/71	pc	31/88	22/71	pc
K. Kinabalu	32/89	23/73	pc	32/89	23/73	s
Manila	31/88	20/68	pc	29/84	19/66	pc
New Delhi	21/70	2/35	s	22/71	7/44	s
Phnom Penh	31/88	21/70	c	29/84	22/71	sh
Phuket	31/88	23/68	pc	29/84	20/68	pc
Rangoon	31/88	21/70	pc	29/84	19/66	pc
Seoul	2/35	-8/18	s	2/35	-8/18	s
Shanghai	7/44	-2/28	s	7/44	2/28	s
Singapore	32/89	24/75	pc	32/89	23/73	s
Taipei	17/62	12/53	sh	16/61	12/53	c
Tokyo	7/44	-1/31	s	8/48	-2/28	s
Vientiane	17/62	12/53	pc	16/61	12/53	pc

Africa

Algiers	13/55	10/50	r	12/53	7/44	r
Cape Town	25/79	14/57	s	21/70	12/53	s
Casablanca	16/61	8/46	pc	16/61	10/50	s
Harare	29/84	9/48	s	29/84	10/50	s
Lagos	31/88	22/71	s	31/88	22/71	s
Nairobi	25/84	12/53	pc	30/86	13/55	pc
Tunis	13/55	11/52	r	13/55	8/46	r

Latin America

Buenos Aires	31/88	19/66	s	30/86	18/64	s
Caracas	28/82	22/71	pc	28/84	23/73	pc
Lima	28/82	21/70	pc	28/82	21/70	c
Mexico City	19/66	3/37	pc	18/64	5/41	pc
Rio de Janeiro	38/82	20/68	pc	28/73	23/71	pc
Santiago	28/82	11/52	s	27/80	10/50	s

Oceania

Auckland	20/68	16/61	c	21/70	13/55	c
Sydney	23/73	19/66	t	22/71	19/66	sh

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Albright China Stance To Be 'Tell It Like It Is'

But She Rules Out One-Issue Policy

Compiled by Our Staff From Dispatches

WASHINGTON — Secretary of State Madeleine Albright vowed Friday to "tell it like it is" to China on human rights issues and the future of Hong Kong but said that U.S.-Chinese relations could not be held hostage to any single issue.

"I will tell it like it is on the human rights issue and on Hong Kong to the Chinese when I meet with them," she said at her first State Department news conference.

Mrs. Albright announced she would travel to Europe and Asia next month to renew acquaintances with foreign leaders whom she met while she served as chief U.S. representative to the United Nations.

She also assailed the Castro regime in Cuba as "an embarrassment to the Western Hemisphere" and emphasized that the expansion of NATO was a priority but that she understood the Russians were not happy about it and that she would try to work with them on the issue.

She said she would not try to challenge the travel record of her predecessor, Warren Christopher, who logged more miles in his four years than any other secretary of state.

While Mrs. Albright said that "we are not going to agree on everything" with the Chinese, she added that the handover of Hong Kong from Britain to China has to be done in a way that respects the human rights of the Hong Kong people.

"We have made it clear that what happens in Hong Kong is very important to the overall relationship," she added.

She said that she spoke by phone Friday with Foreign Secretary Malcolm Rifkind of Britain and discussed the Hong Kong matter with him.

The territory reverts to Chinese sovereignty on July 1.

Beijing has moved to toughen police laws and dilute legal protection for civil liberties in Hong Kong.

A panel named in Beijing has proposed reinstating old colonial laws giving the police tight control over protests and watering down Hong Kong's Bill of Rights, stripping it of its supremacy over other laws.

Britain and the United States have condemned the proposals, which were unveiled Sunday by the legal subgroup of the Preparatory Committee, a panel that answers to China's Parliament.

Mrs. Albright was sworn in Thursday as the first female secretary of state, the highest official position ever held by an American woman.

Acknowledging that she had been muzzled during the Senate confirmation process, she said that her first-day news conference was evidence of her intent to be "open and available."

Asked about relations with Russia given the extended illness of President Boris Yeltsin, she said that a high-level administration visit to Moscow this week showed "clearly it is possible for us to do business with the Russian government."

Regarding Moscow's strong objections to plans to expand the NATO alliance, Mrs. Albright said, "We understand the Russians have some problems with that.

"What is clear is that both countries are committed to working this situation out."

She made it clear that the American tone toward Fidel Castro was not changing, saying that Cuba was "an embarrassment to the Western Hemisphere" and warning against taking a "romantic view of Fidel Castro." She called him "a dictator who runs his country the way dictators did in the '50s and the '60s." *(Reuters, AP, AFP)*

U.S. Decision To Fault Jidda Marks Shift on Bomb Inquiry

By David Johnston
New York Times Service

WASHINGTON — The criticism that Attorney General Janet Reno leveled against Saudi Arabia, faulting Jidda for failing to cooperate in the investigation into the terrorist bombing last June in Dhahran that killed 19 U.S. airmen, was an abrupt shift for the Clinton adminsitration.

The remarks by Attorney General Reno came after senior administration officials had for months praised the Saudi monarchy for pledging full cooperation in the inquiry.

Ms. Reno said Thursday that the Saudi government had failed to turn over "very important information" from the investigation. Her comments followed those of the FBI director, Louis Freeh, who complained Wednesday that the Saudis had provided little more than "hearsay" that made it impossible to evaluate the evidence.

It was unusual for senior U.S. officials to openly criticize America's closest ally in the Gulf. Their remarks appeared to reflect an administration judgment that the polite approach had failed and was unlikely to produce real cooperation from the Saudis.

Mr. Freeh's and Ms. Reno's comments reflect antagonism within their agencies against the Saudi authorities.

From the start of the investigation, the Saudis have promised cooperation but operated largely in secret. Law enforcement officials said that Saudi security personnel provided FBI agents with few specifics and turned over only summary reports, like the one last fall that concluded that the plot was the work of 40 Shiite Muslim Saudi conspirators.

U.S. law enforcement officials have reacted skeptically to the Saudi findings, saying they suspected that the Saudis wanted to blame an outside sponsor like Iran for the blast and may have obtained statements by torture. FBI officials also said they could not assess the validity of the Saudi conclusions without access to information that has been withheld.

Specifically, law enforcement officials said the Saudis had refused to turn over forensic evidence about the explosion at Al Khobar Towers, in which a truck bomb sheared the face off an building housing military personnel.

Gore Concedes Visit to Temple Was a 'Mistake'

Reuters

WASHINGTON — Vice President Al Gore admitted Friday that he was wrong to have attended a Democratic Party fund-raiser at a Buddhist temple in April.

"Well, it was a mistake," he said in a television interview.

"I did not know that it was a fund-raiser," he said Friday. "But I knew it was a political event. And I knew that there were finance people who were going to be present.

"And so that alone should have told me this is inappropriate — and this is a mistake — don't do this. And I take responsibility for that.

"It was a mistake."

The fund-raiser at the tax-exempt temple in the Los Angeles area became an issue in the presidential campaign and was part of a series of disputed money-raising efforts by the Democrats that have come under fire and will be the focus of congressional investigations.

The Justice Department is also investigating Democratic fund-raising activities, including money raised improperly from foreign nationals.

The party has returned some $1.5 million in improper or questionable funds following news reports about contributions by foreigners.

Paul Hosefros/The New York Times

Mr. Annan with Senator Helms after their meeting in Washington.

UN Leader Meets Helms

Eye on U.S. Arrears, Annan Agrees to Consult With Senator on Cost and Efficiency Reforms

By John M. Goshko
Washington Post Service

WASHINGTON — The new secretary-general of the United Nations, Kofi Annan, has met with its chief nemesis in Washington and has agreed to consult with Congress on reforms, in hopes the United States will pay the more than $1 billion it owes.

Before meeting Thursday with Senator Jesse Helms of North Carolina, chairman of the Foreign Relations Committee, Mr. Annan said that he did not think such direct consultations with Congress on UN reforms would be proper. Traditionally, he said, the secretary-general has dealt with member nations through their executive branches, not their legislatures.

But Mr. Annan changed his position during the talk with Mr. Helms. President Bill Clinton told him earlier in the day that winning the support of the senator and other congressional conservatives was essential if the United States was to pay its back dues and assessments, without which the United Nations is close to bankruptcy.

Mr. Helms told Mr. Annan that he would introduce legislation setting strict benchmarks for such things as cost cutting and other efficiency measures, and a law to authorize installment payments of the $1.3 billion in U.S. arrears only when the reforms are made.

Mr. Helms urged the secretary-general to cooperate in the process through frequent communications.

UN officials said that Mr. Annan was uncomfortable with the idea of benchmarks and has not conceded that Washington can put conditions on its obligations to the United Nations, but that he had agreed to the insistence on consultations.

Mr. Annan has made reform his most urgent priority, but has said it must include measures acceptable to all members, many of whom do not share the U.S. preoccupation with downsizing and view reform in terms of giving smaller countries more power.

Away From Politics

• **The proportion of elderly Americans** in nursing homes has fallen as people stay healthier and choose alternatives that allow them to stay at home, the government said. About 41 of every 1,000 Americans over the age of 65 are now in nursing homes, down 18 percent from 1985. *(WP)*

• **A proposed constitutional amendment** to ban same-sex marriages was approved by the Hawaii state House, which was trying to undo Hawaiian court rulings. If approved, as expected, by the state Senate, the proposed amendment would go before state voters in November 1998. *(AP)*

• **Sharply higher prices** for winter vegetables and fruits could result from a freeze last weekend in Florida. The freeze caused as much as $250 million in damage. *(NYT)*

• **Both bombs that exploded** outside an Atlanta abortion clinic last week were made of dynamite, which is made by only one company in the United States, officials said. *(AP)*

Peru Police Heed Red Cross Demand On Keeping Back

By Calvin Sims
New York Times Service

LIMA — Bowing to pressure from the International Committee of the Red Cross, Peruvian security forces have agreed to restrict their maneuvers outside the Japanese ambassador's residence here while aid workers are providing services to the 73 hostages being held by Marxist guerrillas inside.

Concerned about the safety of its workers and the hostages, the Red Cross scaled back its activities inside the Japanese residence Wednesday after security forces began taunting the rebels by throwing debris over the compound wall and flying a helicopter armed with a machine gun overhead.

In response to the police actions, the guerrillas, who are members of the leftist Tupac Amaru Revolutionary Movement, began firing shots into the air.

Steven Anderson, a spokesman for the Red Cross, said in an interview Thursday that security forces had agreed not to cross a Red Cross boundary to be drawn in the street in front of the compound wall.

"We will mark off a defined area around the entrance to the compound that will be the work area of the Red Cross, and the police have agreed not to enter during the time we are inside," Mr. Anderson said.

"We simply could not guarantee the safety of our workers or the hostages with all the movements that were taking place on Wednesday," he added.

A spokesman for Peru's anti-terrorist police, who are coordinating the security operations around the residence, said the forces would respect the Red Cross boundary — but only while aid workers were inside the compound.

After six of its workers were slain in the secessionist Russian region of Chechnya last month, the Red Cross began re-examining the ways it protects workers who are in areas of conflict.

Since the Tupac Amaru rebels seized the Japanese residence and hundreds of hostages Dec. 17, the Red Cross has provided a variety of services, including daily meals, medicine, clothing, potable water, refuse collection and counseling. Red Cross workers are normally inside the residence between 10 A.M. and 7 P.M.

"Now that we have this agreement, we are encouraged from a security standpoint after a period of great uncertainty," Mr. Anderson said.

The Red Cross has served as an intermediary between the government and the rebels, who are still struggling to reach an agreement to begin negotiations to resolve the crisis. President Alberto Fujimori said this week that the government was continuing to seek a peaceful solution.

DEATH NOTICE

Melvin I. Schifter, 78, Entrepreneur

Southampton, N.Y. - Melvin I. Schifter, founder and co-chairman of LeSportsac, Inc, died on January 20 at his home here where he has lived for twenty years. He was 78 and a former resident of Manhattan.

Mr. Schifter was a graduate of the University of Wisconsin at Madison and Erasmus Hall High School in Brooklyn, N.Y. LeSportsac, which he founded in 1974 with his wife Sandra Stetson Schifter, is a manufacturer and marketer of luggage and handbags headquartered in New York with factories in Tennessee and North Carolina. The company's innovative sailcloth nylon products are sold in department stores in the United States and in over twenty foreign countries, said a company spokesman.

Prior to founding LeSportsac, Mr. Schifter owned Somersault, a boy's clothing design and manufacturing company.

During World War II, he served as an army correspondent for the Stars & Stripes newspaper.

In addition to his wife, he is survived by a son, Timothy Ware Schifter, president of LeSportsac and a daughter, Lisa Greenberg, both of Manhattan, and four grandchildren.

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POLITICAL NOTES

Renewing an Old Battle at Commerce

WASHINGTON — The pledge by incoming Commerce Secretary William Daley to abolish 100 political jobs at the department has renewed an old battle over whether federal agencies are stuffed with too many patronage jobs.

In the first Clinton term, the White House filled more than 3,000 jobs across the government with political appointees, most of them bunched at the top of each federal agency. The highest-ranking positions pay from $100,000 to $148,000 a year.

Until Mr. Daley made his pledge Wednesday at his Senate confirmation hearing, no senior Clinton administration official had offered such a wholesale abolition of political jobs. "This is truly a revolutionary proposal," said University of Wisconsin professor Donald F. Kettl. "Putting the number of political appointees on the table is an important issue."

In the early days of the administration, officials decided not to trim the political ranks because the 3,000 jobs were insignificant when compared with the executive branch's nearly 2 million career employees.

It seems unlikely that other departments will follow Mr. Daley's lead. The department once again is vulnerable to congressional attack and budget cuts because of the current investigations into Democratic fund-raising and the role of a former Commerce political appointee, John Huang, which come on the heels of an effort by Republican House members to dismantle the department.

Federal personnel data suggest that Commerce may have been overstocked with political appointees. The data show that Commerce has 32,000 employees and 256 political appointees, while the Health and Human Services Department has 58,000 workers and 140 appointees. *(WP)*

Any Volunteers? Clinton's New Program

WASHINGTON — President Bill Clinton and three of his predecessors are planning an April meeting on community service and volunteerism, with Colin Powell as its chairman, the White House said Friday.

In a show of bipartisanship, the three-day "President's Summit on America's Future," was being promoted at the White House by Mr. Clinton, former President George Bush and Mr. Powell. The meeting will take place in Philadelphia.

Mr. Bush was Mr. Clinton's 1992 election foe. Mr. Powell was considered a serious threat to Mr. Clinton's re-election but decided not to run for president.

Mr. Bush and former Presidents Jimmy Carter and Gerald Ford are expected to attend the April 27-29 event or participate electronically. The meeting will involve representatives of 100 American communities.

Mr. Powell will serve as general chairman. The White House press secretary, Michael McCurry, said the meeting would be designed to remind Americans that "service to country and service to community are not Democratic ideas, not Republican ideas, but American ideas." *(AP)*

Quote/Unquote

Linda Witherspoon, an organizer of a splinter group fighting for power this weekend in Ross Perot's Reform Party: "If it develops into a democratically led effort that the people of this country can have confidence in, the potential for the impact is unimaginable. But if it remains centered with the leadership top down, I believe that will be the death of the entire effort." *(AP)*

New Doubt on Mammograms

Panel Cannot Recommend Them for All Women in 40s

By Gina Kolata
New York Times Service

BETHESDA, Maryland — In a unanimous decision, a panel of experts convened by the National Institutes of Health has concluded that it cannot recommend that all women in their 40s have mammograms.

The panel said women in that age group must make up their own minds, but added that there was as yet no overwhelmingly persuasive evidence that regular breast X-rays for healthy women under 50 would save lives.

A heated debate over the value of mammograms for women in their 40s has been going on for years.

While there is wide agreement that screening for breast cancer with mammograms benefits women over the age of 50, when risk of the disease rises and cancerous tumors are easiest to detect, some experts contend that any benefit for those in their 40s is outweighed by the risk that false alarms in mammogram results will lead to unnecessary surgery or other treatment. All agree that regular mammograms are not appropriate for women under 40.

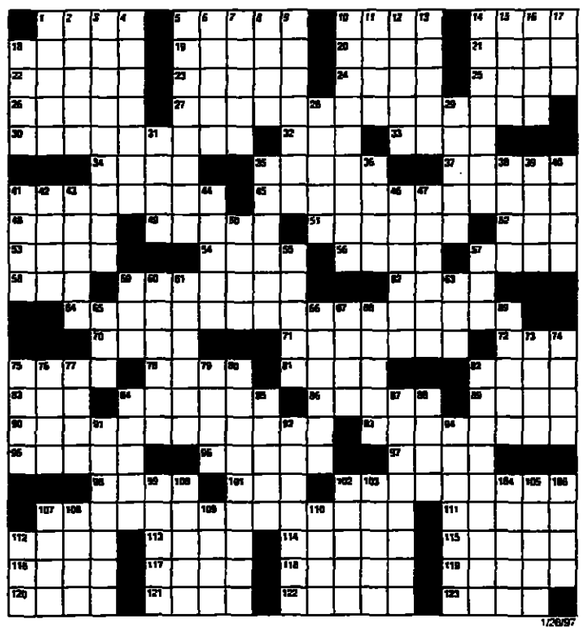
The panel was convened to try to settle the issue.

But its decision, after two days of hearing evidence from specialists on both sides, seemed only to intensify the debate.

Such conferences are a part of the national institutes' consensus development program.

Their decisions are also used by health insurance companies to set benefits and by doctors and medical associations to determine appropriate care.

ALCHEMY, By Suzie Elliot



ACROSS
1 Alternative to orchestra
5 Indispensables
10 Puts in stitches
14 1965 jazz album
18 Where Innsbruck is
19 Bubbling
20 One of the Baldwin brothers
21 Thwart
22 City NNE of Tampa
23 Jefferson's portrayer in a 1995 film
24 Java neighbor
25 Kind of collar
26 Mangles
27 Dickens novel transmuted
30 Bargain
32 Hale
33 — Fein
34 Effort
35 Boxing titlist with 57 KO's
37 60's Secretary of the Interior
41 More to the point
45 U.S. ship transmuted
48 Prefix with -gram
49 Music hall
51 Opening word?
52 Believer, informally
53 City on the Rhein
54 Eagerly expectant
56 Bandar — Begawan (Brunei's capital)
57 Addition column
58 "L.A. Law" lawyer
59 Native of the Land of the Thunder Dragon
62 Write painstakingly
64 1955 play transmuted
70 Schoolmarm's hairdos
71 Spread ingredient
72 Ottoman authority
75 Bettors bet on them
78 "— la guerre"
81 Billionth: Prefix
82 Drink on the drink
83 Fab competitor
84 Atheist Madalyn et al.
86 Rock's opposite, often
89 Fiend
90 50's TV catch phrase transmuted
93 Deer playmate, in song
95 Consummate
96 Idyllic spots
97 Twosome
98 C minor and others
101 "Xanadu" rock group
102 Water-skier's need
107 Cary Grant movie transmuted
111 German poet Heinrich
112 Astronomer's sighting
113 Lounge
114 Story subtitled "The Yeshiva Boy"
115 Tuckered out
116 Another time
117 Stylish gent, in Britain
118 Knobby
119 Like non-oyster months?
120 Ivy League team
121 Want ad listings: Abbr.
122 "Holy cow!"
123 Storied Phoenician port

DOWN
1 École
2 Clint's "co-star" Clyde, for one
3 Cable channel transmuted
4 Adaptable
5 Decreed
6 W.W. II menace
7 Crack
8 Small, reddish monkey
9 Santa's load
10 Throws a monkey wrench into
11 Airline name drawn from Hosea
12 Joins
13 Some Asimov books
14 Eastern pooh-bah
15 Lounge
16 Produced fiction
17 — maison (indoors): Fr.
18 No longer mint
28 Prepares for action
29 Not free
31 Passionate about
35 Masquerade mask
36 Rose bouquet
38 Deuce follower
39 —-majesté
40 Amphibious vehicles, for short
41 Dutch tourist attraction
42 What's all the screaming about?
43 Holdover
44 Rope used to hang banditos
46 Town in many an oater
47 One of the Karamazov brothers
50 Jazz players are found here
55 Scaler's spike
57 "Well, well, well!"
59 Furnace measure, for short
60 El jefe
61 Open
63 Maj.'s superior
65 Sit-ups strengthen them
66 Cooper of "My Fair Lady"
67 Wine: Prefix
68 Irish lullaby syllables
69 1996 Coen brothers film
73 Trail mix
74 "The Night of the Hunter" screenwriter
75 Soft drink brand
78 Lifeless
77 Singer Marvin
79 Incidental
80 Considerations pro and con
82 Blues singer transmuted
84 Eyeballed
85 Jim-dandy
87 Exists as an activating force
88 Case for an ophthalmologist
91 Chicago suburb
92 Pain reliever
94 "Lady Lindy"
99 Resort east of Sevastopol
100 Prier
102 Non-bear bear
103 Rowing team
104 Dorothy, for the Tin Man
105 Cordial flavoring
106 Addition column
107 Vanished
108 Where Hansel was headed
109 A penny short of a dime
110 Actor — Carroll
112 Drop off for a bit

1/26/97

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Solution to Puzzle of Jan. 18-19

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Saddam's Son's Wounds May Have Paralyzed Him

600 Seized in Roundups Since Dec. 12 Attack

By Douglas Jehl
New York Times Service

DAMASCUS — More than a month after he was shot in an attempted assassination in Baghdad, the eldest son of President Saddam Hussein still has not been pictured standing, and there are suggestions that he may have been wounded more seriously than first reported.

At the same time, a leading Iraqi opposition figure said Thursday in Syria that a subsequent roundup of suspects in Iraq has resulted in the arrests of about 600 people, including 20 high-ranking military officials.

The opposition leader, Wafiq Samerai, a former Iraqi general and intelligence chief, said the blow to the opposition had been as serious as Iraq's penetration in June of a network reporting to another opposition group.

It was the third setback in eight months for opposition groups in Iraq. Opposition operations in northern Iraq were set back in September when Iraq sent its forces into the Kurdish region.

If Mr. Samerai's account is correct, it would be significant that the focus of Iraq's response to the attack has been on the military leaders and others from the Sunni Muslim-dominated central part of Iraq that provides the base of support for Saddam Hussein, the Iraqi leader.

In its public statements, Iraq has appeared to blame the Shiite Muslim opponents of Mr. Saddam for the attack. The Shiites, whose base of operations is in neighboring Iran, have claimed responsibility for the Dec. 12 shooting.

Udai Hussein, 33, has been regarded by many as a possible heir to his father. Gunmen armed with machine guns opened fire on him from close range as he sat in his Porsche.

Interviewed several times from his hospital bed by Iraqi television, Udai Hussein has said that he is recovering, although he has disclosed that bullets remain lodged in his body.

In each appearance, the injured Hussein has remained sitting in bed, with his torso and legs covered. Opposition officials who have studied the pictures say that he may be have partial paralysis.

■ 2d Group Claims Responsibility

A little known Iraqi opposition group calling itself Nahda, or Renaissance, has taken responsibility for the assassination attempt against Udai Hussein, Agence France-Presse reported from Dubai.

A senior Iraqi opposition official in London supported a report in Al Hayat, an Arabic newspaper based there, that four members of the group escaped from Iraq to Europe after the Dec. 12 attack in Baghdad against Mr. Hussein.

The official said Nahda was behind the assassination attempt, and not the Shiite Muslim Ad Da'wa al Islamiya, another opposition group that had claimed responsibility for the attack.

"Nahda is a group of young nationalists of various Sunni and Shiite backgrounds, with different political orientations," the opposition official said.

Karen Sabib/Agence France-Presse

BARTERING POINT — Trucks entering Iraq from Turkey on Friday carrying smuggled goods and food destined for markets in Baghdad. The goods are exchanged for oil, which is taken to Turkey.

Talks With Syrians Possible by the Spring, Israel Says

Reuters

JERUSALEM — Defense Minister Yitzhak Mordechai said in remarks broadcast Friday that he expected Israelis and Syrians to meet in the next few months to revive their peace talks.

Such a meeting should occur the spring, he said, "after the U.S. administration is established." It would be an opportunity, he added, for both sides to "look for ways to bridge some of the gaps."

His remarks, made Thursday, were broadcast on Israel Radio.

On-again, off-again peace talks that began in 1991 have been bogged down by the issue of the Golan Heights, captured by Israel from Syria in 1967.

President Bill Clinton, just sworn in for a second term, has sought to resuscitate the negotiations.

Secretary of State Madeleine Albright, in a news conference Friday, said achieving a comprehensive peace in the Middle East would be a top priority.

But she did not say when she would travel to the region.

Also Friday, Prime Minister Benjamin Netanyahu appealed to President Hafez Assad of Syria to meet at the negotiating table. His remarks came in an interview with an Arabic-language Israeli newspaper.

"Since you're an Arab newspaper, I call on President Assad to sit together and renew the negotiations, for this is the only government capable of making peace," Mr. Netanyahu told Kul al Arab.

He has rejected Syria's demand that Israel return the Golan Heights.

Israel's handover last week of most of the West Bank town of Hebron to the Palestinians prompted renewed interest in the stalled talks with Damascus.

Pilar Barbosa Dies at 99, Puerto Rican Historian

New York Times Service

Dr. Pilar Barbosa de Rosario, 99, a revered Puerto Rican historian and political authority who served as teacher, mentor and mother confessor to generations of Puerto Rican politicians, scholars and intellectuals, died Wednesday at a hospital near her home in San Juan.

She was widely regarded as the conscience of the governing New Progressive Party.

In a career in which, in 1921, she became the first woman to teach at the University of Puerto Rico and later established the departments of history and social studies there, Dr. Barbosa became such an authority on Puerto Rican political history, from the movement for autonomy from Spain in the late 19th century to the drive for U.S. statehood in the 20th, that she was named the commonwealth's official historian in 1993.

It was a further reflection of her standing that after her death Governor Pedro Rossello decreed a three-day period of mourning and that a half-dozen members of the legislature formed an honor guard at her coffin during a wake Wednesday night.

Myfanwy Piper, 85, Art Critic And Britten's Librettist

LONDON (AP) — Myfanwy Piper, 85, an art critic and librettist for three of Benjamin Britten's operas, died at her home on Jan. 18, her family said.

She wrote the librettos for "The Turn of the Screw," which had its premiere in 1954; "Owen Wingrave" (1970) and "Death in Venice" (1973).

The poet John Betjeman celebrated her in "Myfanway at Oxford," a poem written in 1938: "Willowy figure with lips apart, / Strong and willowy, strong to pillow me, / Gold Myfanwy, kisses and art."

Edith Haisman, 100, Oldest Titanic Survivor

LONDON (NYT) — Edith Haisman, 100, the oldest survivor of the sinking of the Titanic in 1912, has died at a nursing home in Southampton, England.

Karen Kamuda, vice president of the Titanic Historical Society, said in a phone interview from Indian Orchard, Massachusetts, that Mrs. Haisman's death left 7 of the 705 survivors still living — three in the United States and two each in Britain and France.

Mrs. Haisman, who was 15-year-old Edith Brown at the time of the sinking, was the last survivor who was a teenager in 1912.

The survivors who are still alive, ranged in age from 9 weeks to 8 years old at the time of the disaster, which claimed more than 1,500 lives.

Saul Marantz, 85, Pioneer In Hi-Fi Audio Components

NEW YORK (NYT) — Saul Marantz, 85, a pioneer in the development of high-fidelity audio components, died Jan. 16 in Somerville, New Jersey.

A man of many parts — photographer, classical guitarist, graphics designer, collector of Chinese and Japanese art — Mr. Marantz was fascinated by electronics from his boyhood days.

In the 1950s and 1960s, the Marantz name became synonymous with products that were pleasing to look at, easy to use, durable and sonically first rate.

Richard Berry, the Father Of 'Louie, Louie'

LOS ANGELES (AP) — Richard Berry, who sold his simple song about looking for true love for $500 only to watch "Louie, Louie" become a rock 'n' roll anthem, has died at about 60.

The song, written in the mid-1950s, was about a bartender named Louie and a customer intent on finding true love in Jamaica.

The most well-known version — the electric piano pinging out the three simple chords, the cymbal-heavy drums and those unintelligible lyrics — was recorded by The Kingsmen in 1963.

Their version rose to No. 2 on the Billboard charts of hit songs in December 1963.

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New Hong Kong Panel: It's in Beijing's Image

Future Chief Selects Post-Transfer Council

Agence France-Presse

HONG KONG — The future chief of Hong Kong, Tung Chee-hwa, on Friday took a step toward shaping his post-handover government, naming an inner cabinet of advisers drawn largely from business and groups that support Beijing.

The post-transfer cabinet, the Executive Council, will have 15 members, three more than the current council, Mr. Tung's office said. The council will be made up of the territory's administrative secretary, financial secretary and secretary of justice, as well as 11 ex-officio members, the office said.

Mr. Tung will become chief executive of Hong Kong on July 1, when the British colony will become a Special Administrative Region under Chinese sovereignty.

The chief executive has to consult the Executive Council, which is usually drawn from Hong Kong's elite, before making important policy decisions, introducing laws to the legislature or dissolving the legislature.

The announcement of the new cabinet came a day after Mr. Tung declared his support for a recommendation by a Beijing-appointed body that core provisions, including the right to protest and form political organizations, of Hong Kong's bill of rights should be voided in the new regime.

Mr. Tung's lineup is dominated by business representatives but also includes people from pro-China organizations and tried-and-tested Beijing loyalists, analysts said. The team includes no members of the territory's largest elected political faction, the Democratic Party, which has been sidelined from the political process by Beijing.

The new council will include Nellie Fong, head of the Better Hong Kong Foundation, a group of tycoons who support Beijing and seek to promote the investment in the territory. Another member is Tam Yiu-chung, vice chairman of the Federation of Trade Unions and of the Democratic Alliance for the Betterment of Hong Kong, a pro-mainland political party.

Two people who are members of the current Executive Council, Raymond Chien and Rosanna Wong, will join the post-transfer body. Ms. Wong is head of the housing authority, an important job in Hong Kong.

Mr. Tung also named three members of the Beijing-appointed Provisional Legislature to the Executive Council. The Provisional Legislature will replace the current, democratically elected body when Hong Kong reverts to China.

"I am pleased to have such distinguished persons to advise me in the Executive Council," Mr. Tung said in a statement. "They bring with them a wealth of knowledge and experience which cut across a wide spectrum of the community."

The senior member, or convenor, of the new Executive Council will be Chung Sze-yuen, a veteran of the colonial-era council until he stepped down after the arrival of Governor Chris Patten in 1992.

Mr. Tung named as special adviser Paul Yip, chairman of the Hong Kong Policy Research Institute.

Also noteworthy in the cabinet is the presence of two Shanghainese in addition to Mr. Tung — Ti Liang Yang, the former chief justice who ran against Mr. Tung for the chief executive's job last month, and Mr. Chien.

Shanghainese wield growing influence in politics and business in the mainland and in Hong Kong. Mr. Tung, a shipping magnate who was educated in Britain, is close to President Jiang Zemin, also from Shanghai.

John Pryke/Reuters

Protesters, in tall caps similar to those worn by people persecuted during China's Cultural Revolution, outside Mr. Tung's office Friday. The demonstrators oppose moves to scrap civil rights in Hong Kong.

Unionists Quit Seoul Haven as Tensions Ease

By Kevin Sullivan
Washington Post Service

TOKYO — Tensions eased considerably Friday in South Korea's month-old strikes, as labor leaders abandoned their symbolic headquarters in a tent outside a Seoul cathedral and politicians on all sides of the debate stressed compromise.

The seven key organizers of the strikes, which have cost South Korea's economy more than $3 billion, quietly left the flimsy plastic tent where they had raged at the government for a month. Before driving away, Kwon Young Kil, the chief organizer, embraced the Roman Catholic priests who had provided him sanctuary.

Making good on a promise this week by President Kim Young Sam, prosecutors dropped charges against four union leaders who had been arrested at the Halla Heavy Industries shipyard. The police then freed them. All arrest warrants issued for Mr. Kwon and other labor leaders have now been dropped.

Top officials from the National Congress for New Politics said the main opposition party would be willing to accept Mr. Kim's offer to send the new labor laws that prompted the strikes back to the National Assembly for reconsideration. "If the government apologizes for ramming the law through Parliament, we are willing to start talks over the law," a party spokesman told Reuters.

The moves ended a week in which all sides seemed to seek an end to the strikes, which have damaged some of South Korea's most important export industries and Mr. Kim's political fortunes.

Mr. Kim reversed his hard-line stance against the strikers Tuesday, saying he was willing to send the labor laws back to the legislature. Those laws, which effectively end South Korea's guaranteed lifetime employment system, were rammed through the assembly in a secret predawn session Dec. 26 attended only by members of Mr. Kim's governing New Korea Party.

The laws give employers the right to lay off workers, set flexible work schedules of up to 56 hours a week and hire temporary employees and replacements for strikers. They also continue a ban on multiple unions in the workplace until at least 2000.

After Mr. Kim announced his willingness to reconsider the laws, some opposition politicians said he was simply posturing. But the statement Friday by opposition leaders suggested a peaceful debate on the laws might be possible.

A Green Light for Burma To Join ASEAN's Ranks

By Michael Richardson
International Herald Tribune

SINGAPORE — The Association of South East Asian Nations has decided to include Burma as a new member this year, even though the presence of the Burmese military regime could cause a rift in relations with the West and disrupt plans to hold a summit meeting between European and Asian leaders, officials and analysts say.

With foreign ministers of ASEAN and the European Union scheduled to meet in Singapore next month, all ASEAN countries have now made it clear that they will not be deterred from accepting Burma as a member by Western objections to its record of human rights abuses and political repression.

Thailand and the Philippines — which had previously voiced doubts about Burma joining ASEAN unless the internal situation improved — have dropped those reservations to advance regional unity.

As a result, ASEAN will "very likely" grant membership to Burma, Cambodia and Laos in 1997, Mahathir bin Mohamad, the Malaysian prime minister, said recently.

Malaysia will be chairman of ASEAN this year. With Indonesia, it is leading the push to unite Southeast Asia by bringing Burma, Cambodia and Laos into the group at its annual meeting in Kuala Lumpur in July.

"With the ten Southeast Asian countries together, we will form a community with a combined population of 500 million, bigger in fact than Europe or North America," Mr. Mahathir said. "We may not be as rich, but the potential will be tremendous. We will be a significant player in Asia and in the world."

Just after ASEAN and EU foreign ministers meet in Singapore on Feb. 13 and 14, they will be joined by their counterparts from China, Japan and South Korea to discuss the agenda for a second summit of European and Asian heads of government in London in 1998.

The issue of Burma's imminent membership in ASEAN threatens to disrupt the London meeting because leaders of the Burmese military government are banned from visiting Europe under visa restrictions imposed as part of a package of sanctions imposed by the EU in 1996 to protest a crackdown on the democratic opposition in Burma. The United States imposed similar penalties.

Membership in ASEAN does not confer an automatic right to join the Europe-Asia summit conference. But ASEAN officials said that they expected all members, including Burma, would want to participate and that this would have ASEAN's support.

With Rangoon continuing to harass the opposition National League for Democracy and refusing to negotiate with its leader, Daw Aung San Suu Kyi, the Nobel Peace laureate, despite repeated calls for dialogue by the United Nations and the West, it seems unlikely that the EU will ease its sanctions to allow the Burmese government to be represented at the London meeting.

"We know that it would be a very negative gesture by the EU to refuse Burma membership in the Asia-Europe meeting," a European diplomat said Friday. "But if the summit were tomorrow, there would be a visa problem. Whether there is still one in 1998 or subsequently will be heavily dependent on what happens in Burma."

ASEAN includes Brunei, Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam. Burma, Cambodia and Laos are observers, and all three want to become full members when the group gathers in Kuala Lumpur. ASEAN leaders meeting in Jakarta last month decided that the three would be admitted at the same time but did not give a date. Since then, Thailand and the Philippines, which had earlier expressed reservations about bringing Burma into ASEAN this year, have shifted their position to one of support so that the group has a consensus on the issue, officials said.

BRIEFLY ASIA

Test Ban Stance Hampers India On Council Seat, Bonn Asserts

NEW DELHI — Germany said Friday that India's opposition to a global nuclear test ban was hurting its chances of becoming a permanent member of the UN Security Council, but India reiterated its opposition to the pact.

"We think India is entitled to claim a permanent seat, and so India is a candidate we support," Foreign Minister Klaus Kinkel of Germany said at a news conference here.

Mr. Kinkel said that in his talks with Indian leaders he tried to point out the relationship between India's bid to become a Security Council member and its stance on the Comprehensive Test Ban Treaty. "There is some connection," he said through an interpreter. "It would be wrong to deny that some connection does exist."

India's foreign minister, Inder Kumar Gujral, speaking at the same news conference, reiterated New Delhi's opposition to the treaty, which has been signed by almost 140 nations. *(Reuters)*

Hanoi Graft Trial Under Way

HANOI — Vietnam's biggest corruption trial entered its second day Friday accompanied by a media onslaught against graft and calls for the judiciary to halt "declining confidence" in the Communist government.

Official newspapers splashed coverage of the first day's proceedings across front pages. Photographs showed grim defendants with bowed heads. Several are on trial for their lives. The trial centers on allegations that the 20 defendants siphoned off millions of dollars from Tamexco — a Ho Chi Minh City trading firm with links to the ruling Communist Party. The company director and a circle of his colleagues, relatives and friends are accused along with state officials and senior bankers. *(Reuters)*

Political Slayings in Pakistan

KARACHI, Pakistan — The body of a young man, apparently the latest victim of pre-election factional feuding, was found in a park here Friday, police said.

They said the 28-year-old man had been kidnapped, stripped and hanged. His face was burned beyond recognition before he was dumped in a small park in the Orangi Town district. A police officer said that at least three political activists had been killed in Karachi in six days. *(Reuters)*

Beijing Sees Gains on Taiwan

BEIJING — Foreign Minister Qian Qichen voiced confidence Friday that China had gained the upper hand in diplomatic efforts to stop Taiwan from raising its international profile.

"The present international and domestic situation is conducive to the curbing of Taiwan authorities' splitting activities," he was quoted by Xinhua as telling a conference of department leaders in charge of Taiwan affairs.

The official press agency said the conference noted important headway made against activities promoting an independent Taiwan in 1996. *(AFP)*

India Honors Independence Leader Who Fought Alongside Japanese

By John F. Burns
New York Times Service

NEW DELHI — With elaborate ceremonies marking the 100th anniversary of his birth, India has officially rehabilitated an independence leader who left India in 1941 to travel to Berlin and Tokyo, and became the leader of an army that fought alongside Japanese forces in World War II.

The ceremonies honoring Subhas Chandra Bose came more than a half-century after an August 1945 crash of a Japanese military aircraft in Taiwan in which Mr. Bose was said to have been killed. That incident, as well as Mr. Bose's political legacy, has been disputed in India for decades, with some of his supporters contending that accounts of the crash, three days after Japan's surrender, were faked, possibly as part of a conspiracy by the victorious Allies.

The adulation heaped on Mr. Bose on Thursday involved doctrinal gymnastics by several of India's leading political parties, which had previously condemned his wartime role.

Not the least of these came from the Congress Party, which ousted Mr. Bose as its president in 1939 in a dispute between Mr. Bose and Mohandas Gandhi over Gandhi's insistence on nonviolence in the struggle for India's independence from Britain.

The breach widened when Mr. Bose slipped out of India to travel to Germany, where he met Hitler and later boarded a German submarine for Japan.

There he became leader of the Indian National Army, which fielded three divisions of Indian troops drawn from prisoners of war taken by the Japanese when they invaded Southeast Asia in 1941.

Unease over Mr. Bose's involvement with the Axis powers was swept aside Thursday as Prime Minister H. D. Deve Gowda led dignitaries in saluting Mr. Bose at ceremonies in New Delhi.

Some Indians have questioned whether Mr. Bose deserves the honors.

"It is true that he was not a fascist himself," The Statesman, Calcutta's main English-language newspaper, said in an editorial Thursday.

"But can it be assumed that he was ignorant of what National Socialism was about? Could he have been blind to the real nature of Japanese imperialism in Asia, its atrocities and cruelties? How did he hope to reconcile all this with his own vision of independent India?"

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Britain's Conservatives Welcome Back a Wayward 'Dash of Color'

By Warren Hoge
New York Times Service

LONDON — The Conservative Party, bedeviled in its attempts to cast itself as the protector of family values by a succession of sexual scandals, found itself Friday welcoming back into the fold its most wanton former official.

While in Margaret Thatcher's administration, Alan Clark had an affair with the wife of a judge and then seduced her two daughters. He also gave speeches in the House of Commons when he was drunk, expressed his delight in having an inherited fortune and living in a 50-room 17th century castle, and helped cover up British machine tool exporters' contributions to President Saddam Hussein's Iraqi war machine. Then he published his diary confessing it all with pride and showering insults upon his constituents and colleagues.

The 68-year-old politician has now made an improbable comeback. He was selected Thursday night as the Tory candidate for Parliament from the party's safest district, Kensington and Chelsea, home to some of the plummiest accents in London.

"I think Alan Clark is an original, and everyone in the House of Commons knows he's an original," Prime Minister John Major said Friday. "He'll bring a dash of color."

That seemed to be a common response among Tory voters and commentators who had been finding pre-election politics gray and desultory. Mr. Major must call a general election by May.

Mr. Clark, with Jane, his wife of 38 years by his side in double strand pearls, promised to act "in a proper and suitable fashion," a possibility that The Evening Standard dismissed Friday as "thankfully unlikely."

Before departing Kensington Town Hall in his red Bentley, he said: "I am never flamboyant on purpose. I am what I am." He added that he would continue making entries in his diary.

Sixteen of Mr. Major's ministers and senior members of Parliament have left office in disgrace since the 1992 election, and nine of the scandals have been sexual. Mr. Clark was not among them: he stepped down willingly in 1991 after his champion Mrs. Thatcher left office.

Nor does the list count Steven Norris, a former transportation minister, who left office voluntarily in July and then wrote a book revealing that he had had five separate mistresses.

Mr. Major has been at pains to portray the party as one that prizes "basic" values, but the day after he made the latest claim to that title three weeks ago, the tabloid News of the World published allegations of a relationship between a married Conservative member of Parliament and an underage young man who shared the lawmaker's lodgings in a Chelsea club.

The man whom Mr. Clark is replacing as the candidate from Kensington is Sir Nicholas Scott, an aristocrat who was arrested for drunken driving in the summer and then was found lying face down in a gutter and incoherent at the Tory conference in Bournemouth in October moments after he had left a reception given by the Irish ambassador. His constituent association removed him as its candidate.

At Thursday night's association meeting, Mr. Clark had ready responses to prickly questions. "In your 'Diaries' you refer to a knock-up," he was asked. "In Kensington and Chelsea, that means to knock on doors. In your 'Diaries' it means something else." He replied that his was the only best-seller that was not devoted exclusively to murder and sex.

Opponents had circulated parts of his diary where he had described members of his previous constituency in Plymouth as "petty, malign, clumsily conspiratorial" and Kenneth Clarke, the Chancellor of the Exchequer as "that podgy life insurance risk." He replied that no one minded because "everyone suffered that fate in 'Diaries.'"

Most of the association members appeared delighted with the outcome Thursday night. People spoke of Mr. Clark's "sparkle", his "transparent honesty," and his "intellectual rigor." One dissenter was Dr. Tanya Bowyer-Bower, who said, "With Nick it was the bottle, and with Alan it is women."

An elderly man said, "I am not at all worried about his previous conquests, but maybe a bit envious."

Another remarked, "We're a bit snobbish in this area. Twenty-seven thousand acres goes down well here."

His reference was to land in Scotland that Mr. Clark inherited along with a fortune of $65 million and Saltwood, the castle in Kent, from his father, Kenneth Clark, the historian and host of the BBC series "Civilization." He also has a ski chalet in the Swiss resort of Zermatt and a collection of open-top old touring cars. The family money comes from a cotton thread business in Paisley in the last century.

He said of Mr. Major, "He's not classy, which doesn't worry me in the slightest, but worse he doesn't aspire to be classy."

His politics are right wing and Euroskeptical, but he is a passionate defender of animal rights, and he is a passionate defender of animal rights, and he parts from his class in opposing hunting and eating no meat. For eight of his 17 years in Commons he served Mrs. Thatcher as a minister with trade employment and defense portfolios. She was said to be enchanted with him, and she regularly forgave his gaffes and effronteries to others.

His wife, whom he married when she was 16 and he was 30, has weathered the years of philandering with cheerful stoicism and disdain for the other women in his life. When the family of Judge James Harkess sold the story of its triple cuckolding to The News of the World, Mrs. Clark said, "If you bed people of below-stairs classes, they go to the papers, don't they?"

Battling in Chechnya Moves to TV

Order and Stability Are Major Issues in Election on Monday

By Alessandra Stanley
New York Times Service

GROZNY, Russia — The war is over, and now the battle for control over the secessionist republic of Chechnya is being waged on the airwaves.

On one small privately owned channel, Aslan Maskhadov, prime minister and chief of staff of the Chechen forces during the war, stares into the camera wearing a civilian pullover and jacket and slowly tells the story of his life, starting with his birth and youthful efforts to enter a Soviet military academy against his mother's wishes.

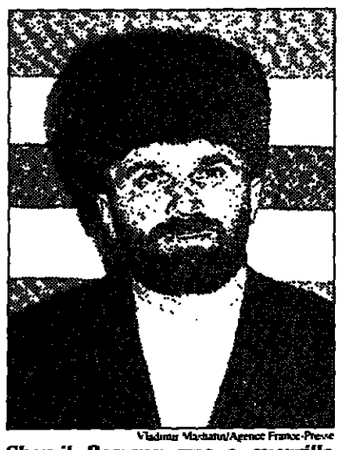
On another, his chief opponent, Shamil Basayev, the Chechen commander who led the deadly hostage raid on a Russian hospital in Budyonnovsk in June 1995, is showcased in a kind of jihad music video against a backdrop of martial Chechen folk music.

After 21 months of relentless bombing and shelling, Chechnya is a patchwork of burned-out buildings and rubble. There is still no running water, and people line up for hours to fill buckets from standpipes. But electricity is back in most places, and people who have electricity mostly have television sets. The Chechen election, set for Monday, is a campaign of the '90s, set against a backdrop of urban destruction unequaled since World War II.

There are 16 presidential candidates and all support independence from Russia. On leaflets and posters pasted on boarded-up windows and bombed-out buildings, the five leading candidates all vow to restore order. They all say they favor an Islamic society.

But the backgrounds and temperaments of the two best known and most favored candidates, Mr. Maskhadov and Mr. Basayev, provide a stark contrast.

Mr. Basayev, 32, still public enemy No.1 in Russia, symbolizes defiance and brinksmanship. Mr. Maskhadov, 46,



Vladimir Markatun/Agence France-Presse
Shamil Basayev was a guerrilla leader in the fighting with Russia.

who negotiated and signed the agreement that led to the withdrawal of Russian troops, stands for restraint and compromise. Independence, which Russia refuses to accept but which most Chechens already take as a given, is not the main campaign issue. Order and stability are.

The few Westerners still working in Grozny also hope that a democratically elected president will be able to establish order. "These elections won't change anything on the status of Chechnya; the deadlock with Russia will remain no matter who wins," said Tim Guldimann, the head of the Organization for Security and Cooperation in Europe mission in Grozny, which is helping organize and monitor the elections. "But they will give the winner legitimacy to sort out stability within the republic."

When 60 observers from the European organization start to descend on Chechnya this weekend to monitor the elections, they will be escorted at every step by armed Chechen government guards. At a campaign rally in Stariye Atagi on Wednesday, Mr. Basayev stood on the steps of a mosque and complained that the current government, led by President Zelimkhan Yandirbayev, had done nothing to stop crime and corruption.

Mr. Yandarbiyev, also a leading candidate, is running mainly on the coattails of Dzhokar Dudayev, the rebel president who was as killed in April but had appointed Mr. Yandarbiyev his successor.

But voters talk about rampant crime and the lack of government control. Since the Russian withdrawal, rival factions have been warring for control of their territories. Robberies, kidnappings, and murders have multiplied. In December, six International Red Cross workers were murdered in their beds by masked gunmen, prompting all other foreign aid workers to leave Chechnya. A Russian Orthodox priest was abducted two weeks ago. Two Russian television journalists disappeared last week.

At Wednesday's rally, the first question to Mr. Basayev, shouted by a man in the crowd, was about stability.

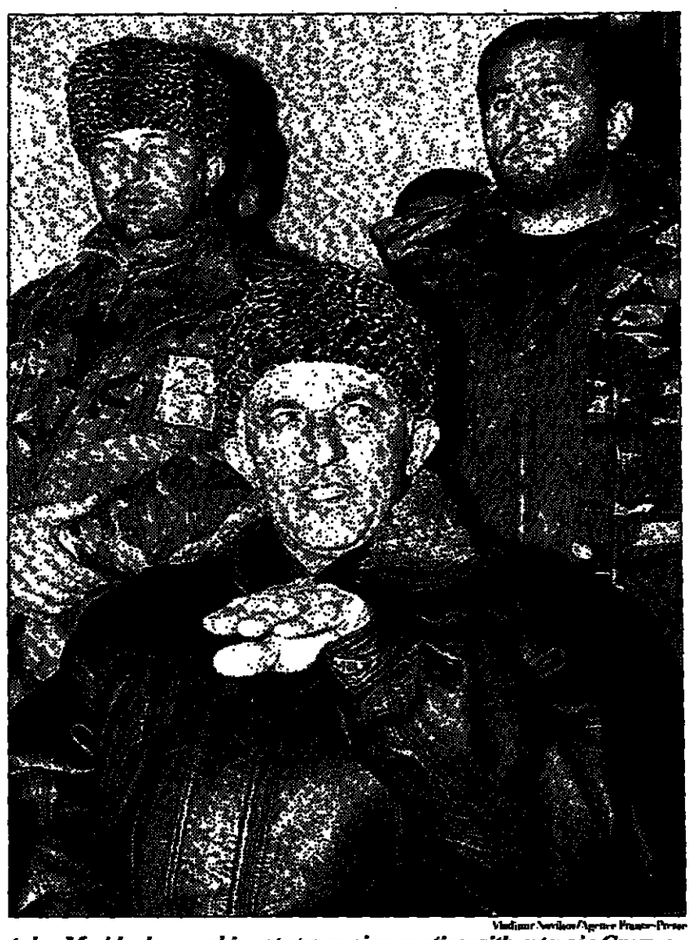
"If you win," he asked urgently, "will those other four candidates obey your orders?"

Mr. Basayev confidently replied: "They can't do anything but obey my orders."

The brash and popular Mr. Basayev is perhaps the most visible candidate, holding rallies and giving speeches all over Chechnya. Mr. Maskhadov is perhaps the least in evidence.

He stopped all campaigning last week and now spends his days in a heavily guarded house in a village outside Grozny, receiving visiting delegations of village elders.

His rivals paint Mr. Maskhadov as someone who will bend over backward to please Moscow. Mr. Basayev, in contrast, says he alone can force Russia to grant Chechnya true independence.



Vladimir Sevilov/Agence France-Presse
Aslan Maskhadov speaking at a campaign meeting with voters in Grozny.

But many favor Mr. Maskhadov precisely because he is less intransigent, and less likely to provoke Moscow. "I'm for Maskhadov, he's educated, he's civilized, and he's for peace — he's the one who signed the peace with the Russians," said Leila Khuchiyeva, a Chechen woman who sells bread. "Basayev is a national hero, but he's not a president."

DIVIDE: *A New Iron Curtain*

Continued from Page 1

made to fend for itself, too close to Russia and Russian interests for it to be prudent for the West to make an aggressive show of absorption and engagement."

The disparity between the halves is reflected in American aid policy.

In June, the U.S. Agency for International Development will pull out of the Czech Republic, its mission completed and its presence in the more mature economy and democratic political scene no longer needed, said Thomas Dine, the agency's director for the region. The agency plans to leave Poland and Hungary next year but remain in the poorer parts of Eastern Europe.

"The have-nots are almost dysfunctional," he said. "It is there in the southern tier that we can make a difference. We have a northern-tier strategy and a southern-tier strategy — one to gradually pull out and the other to stay and help them set up the institutions they need."

The 1996 economic data show the division clearly. Foreign investment and rising buying power have transformed the larger cities of Hungary, the Czech Republic and Poland into places with many of the accoutrements of the West: fast-food restaurants, self-service gas stations, Benetton stores and apartment complexes with satellite dishes.

More than $15 billion in foreign investment has poured into Hungary since 1990. In neighboring Romania, which has more than twice the population, only $2 billion has come in, and in Bulgaria, $700 million.

The average monthly wage in Poland is now well over $300, and people have access to adequate and cheap medical care. In chaotic Bulgaria, the average wage fell to $30 this month, and many hospitals lack even such basics as X-ray film. Inflation in Poland, Hungary and the Czech Republic declined last year; in Bulgaria and Romania it soared.

Many people in the West "thought all the countries in Eastern Europe started out equal in 1989," said Natalia Kaneva, the director of a restaurant and property management company in Sofia. "But we didn't. We were all different. Sofia was nothing before World War II. The Czech Republic was one of the most industrialized countries in Europe. Budapest was a major capital."

Miss Kaneva said she had stayed because she had fought bureaucracy, extortion and failing banks to help build a surviving business. She blames both the Socialist government, made up of former Communists, and the previous government of so-called anti-Communists for bringing Bulgaria to its knees.

"They're all the same," she said with disgust after delivering hot tea and sandwiches as an encouragement to anti-government protesters.

Many of her friends, she said, are among the 300,000 to 500,000 people who have left Bulgaria in the last six years. The latest escape trick, she said, is to buy a ticket to a Caribbean country that does not require a visa — like the Dominican Republic — and then ask for asylum at a stopover in Western Europe.

But Western Europe, straining under its own unemployment, does not welcome visitors from Bulgaria, Romania or Albania, who they fear will turn into illegal immigrants. Nor does the United States.

In contrast, Czechs who apply at the U.S. Embassy in Prague in the morning receive a visa that afternoon; later this year, visa requirements for Czechs entering the United States are expected to be abolished.

And in Albania, isolated for more than 40 years by the Stalinist government of Enver Hoxha, few saw it competing with the likes of Poland, where, for example, land was not collectivized, or with Hungary, where small businesses cropped up in the still-Communist 1980s. But even so, many Albanians have found it painful to learn that throwing off the yoke of communism does not mean automatic entrance into Europe.

PARTNER: *What Is a Corporate Wife's Contribution to Her Husband's Career Worth?*

Continued from Page 1

versations at dinner parties, in bars, on commuter trains and in corporate corridors all over the United States. Mrs. Wendt, 53, said she was getting calls and letters of encouragement from many women. Mr. Wendt, 54, can brandish support letters from both men and women.

"The important public policy issue here is: What is the nature of the marital partnership," said Martha Fineman, a Columbia University law professor who testified for Mrs. Wendt. "Is it an equal partnership or is a housewife a junior partner?"

A decision against Mrs. Wendt, Ms. Fineman said, "would say that our historically typical contributions to marriage are not valued, and that women are not full partners unless we are equal wage earners." The message, women say, would be clear: Why stay home?

Wendt vs. Wendt, unfolding in state Superior Court in Stamford, Connecticut, before Judge Kevin Tierney, is scheduled to be back in session on Tuesday. Judge Tierney is expected to rule by early spring.

Interviews with more than three dozen people, most of whom travel in circles like the Wendts', show that their dispute is hardly an open-and-shut case. Not all women side with Mrs. Wendt, and not all men concur with her husband.

Many — women and men alike — buy Mr. Wendt's argument that his singular financial genius as head of GE Capital, which contributes more of General Electric's profits than any other division, created the wealth, not joint efforts with his wife.

But not one of the men who thought Mrs. Wendt deserved half would speak for the record.

Other people resist the notion that the wife has a lesser role, insisting that marriage is an equal partnership, for better or for worse.

"If her work is her husband's career, of course she should get half," said Toni Goodale, whose Manhattan-based firm counsels nonprofit organizations. "Some women have devoted their lives to furthering their husband's career," he said.

Sentiments are equally strong at the other end of the spectrum. "I know what it takes to develop a business and to run a business, and I think that has a value over and above the supportive relationship," argued Harriet Weintraub, a partner in Loving and Weintraub, a marketing and communications firm in New York City.

Many people have mixed feelings. "I think a woman who worked hard is entitled to a fair split, but I don't know if it is 50-50," said John Gutfreund, the twice-married former chairman of Salomon Inc., the Wall Street firm. "But what she needs to live on is not the way to resolve this."

Most states — like Connecticut — instruct judges to divide the spoils in an "equitable distribution." Many start with the presumption of an equal split, but then consider how long the two were married, what each needs to live on and who contributed what to the pot, among other things.

"I know of no cases where a wife has gotten 50 percent of the assets when they are of such substantial nature," said Robert Epstein, Mr. Wendt's lawyer. "If you believe that what she did was equal to his contribution, then you believe in the tooth fairy. We don't deny that she acted like a corporate wife, but we say that contribution was de minimus."

That such a debate is taking place reflects the surprising endurance of what seems an anachronism. After more than 35 years of the women's movement, corporate wives may be scarcer now, but they are hardly an endangered species.

"The most successful executives lead totally integrated lives," said Gerard Roche, a top executive recruiter. "They have corporate breakfasts, corporate vacations, corporate weddings. The total integration is seamless, and the wife can be very important."

The Wendts fit much of that description, according to their depositions and testimony so far. High school sweethearts in tiny Rio, Wisconsin, they married in 1965, after college but before either had visions of striking it rich — and long before the age of prenuptial agreements.

First stop: Harvard Business School, where Mr. Wendt earned an MBA, while Mrs. Wendt worked as a public school music teacher. He then worked in real estate in Texas, Georgia and Florida before moving in 1975 to GE Capital, where he became chief executive 11 years later.

All along, according to court documents, Mrs. Wendt ran the home, raised their two daughters and supported his career, mostly by entertaining.

"Here we have a case where two people have invested in a single career," said Myra Strober, an economist at Stanford University who testified on behalf of Mrs. Wendt.

"The investments were different in kind, but these two people made equal sacrifices and therefore should get equal rewards." Ms. Strober invoked the human capital theory of Gary Becker, the Nobel Prize-winning economist, who believes that investments in humans, like those in machines or buildings, pay a return over their lives. Mrs. Wendt, Ms. Strober argued, contributed to Mr. Wendt's career throughout their marriage and is entitled to her share of the assets — even the stock options, deferred compensation and pension benefits — accrued during the marriage.

For a start, the Wendts do not agree on how much there is to divvy up. Mrs. Wendt's experts say the tally is about $100 million. But Mr. Wendt said "the amount is about $25 million." In that light, he contended, his settlement offer is generous. The offer, according to Mr. Epstein, includes $4 million in real estate, $5 million in cash and $250,000 a year in alimony for life.

But Mrs. Wendt countered, "This is not about need. I can get along on $10 million, but why should he get $90 million? I entered into this marriage as a partner. I don't know when he decided that it was not a partnership."

YELTSIN: *Summit Postponed*

Continued from Page 1

fully recovered after his very serious illness, double pneumonia. His physical condition is not good enough to expect him to force his return to the Kremlin."

Commonwealth leaders asked Mr. Yeltsin to postpone the meeting because of a need to update its agenda, Mr. Sofovsky maintained.

It was the second time in two weeks that the meeting has been pushed back. The Kremlin said earlier this month that the date was being changed to accommodate Uzbekistan's president.

The latest developments should only add to the growing political turmoil surrounding Mr. Yeltsin's health as he recovers from heart surgery in November and a bout with pneumonia this month.

Mr. Yastrzhembsky provided no details about the president's health, as with Mr. Yeltsin's reported trip to the Kremlin on Wednesday to help defuse a parliamentary debate on his fitness to rule, he left all key questions unanswered.

"The president has preserved his hallmark political will but he has not recovered fully after his very serious illness, double pneumonia," Mr. Yastrzhembsky said.

The spokesman said Mr. Yeltsin was working at his country home outside Moscow and had an hourlong meeting Friday with his chief of staff, Anatoli Chubais, discussing Chechnya, relations with NATO and regional elections.

In another development, the U.S. deputy secretary of state, Strobe Talbott, met Prime Minister Viktor Chernomyrdin in Moscow to prepare for the prime minister's trip to the United States next month, Russian press agencies said.

FOOTBALL: *Numbers Say the Big Loser Is the League Itself*

Continued from Page 1

president of broadcasting, pointed out. That dominance makes NFL telecasts a hot ticket for advertisers of cars, beer, tires, razors and financial services.

The ratings' declines, Pinchbeck said, are largely the result of an expanding tide of entertainment competition that has affected the ratings of every program on television — factors largely beyond the NFL's control.

Even so, the decline in fan loyalty could have profound economic consequences for the league as it readies to renegotiate its television contracts later this year. Ultimately, falling ratings could have consequences for fans, too, if broadcasters and the league decide to cut back on the number of games aired.

The NFL is in the third year of four-year deals with Fox, NBC, ABC and two cable networks, ESPN and TNT, that have collectively generated $4.3 billion in license fees for the league.

Fox, which stunned the broadcasting world by bidding NFL rights away from CBS in late 1993, has already written off losses of $350 million of its $1.6 billion package. Moreover, because of this season's audience decline, network sources estimate that Fox will owe advertisers some $50 million in "make goods," the industry term for free commercial time given to sponsors to compensate them when ratings don't meet a guaranteed level.

These sources estimate ABC's football "make goods" at roughly $25 million and NBC's at around $9 million. All three networks declined to discuss the matter.

Despite the league's suggestions to the contrary, some observers think pro football's problems are self-created — and thus can be fixed. Among possible reasons for fan defections, they say is that there's too much NFL on television for the league's own good. Viewers who don't have cable can still get at least four pro games on Sundays and Mondays. ESPN and TNT televise another on Sunday nights and occasionally on Thursday nights. And fans with satellite television service can now see every game every weekend with a season subscription.

ALGERIA: *President Vows to Crush Violent 'Plot' by Guerrillas*

Continued from Page 1

credibility — and relief in Paris and Washington — when as an incumbent installed by the military he won a presidential election in November 1995.

Many of the Algerian regime's toughest critics concede that was a legitimate victory. It gave a last burst of hope, Algerian analysts said, to the violence-weary Algerian middle class, already in despair over economic mismanagement and unemployment.

But the violence has continued, and the government's claim of having eliminated all but "residual terrorism" is cited daily to mock the regime's detachment from reality.

The presidential address Friday night took a more realistic measure of a terrorist wave without precedent: an already grisly daily pattern of random death, often involving throat-cutting or disembowelment, and often involving women and children.

Mr. Zeroual's reference to foreign plotters probably refers to opposition forces, including exiled leaders of the Islamic Front, who two years ago signed an accord in Rome calling for a negotiated solution.

The crisis in Algeria has worsened since November, when Mr. Zeroual played another electoral hand and lost. A referendum to approve a new constitution that preserves the current regime's complete authority over the nation's political life was passed by a nearly unanimous majority of voters, according to the official results.

But witnesses' reports of the polling stations, a general mood of disgust with the generals, and other unempirical means of verifying the official results have discredited the outcome, widely acknowledged to have been falsified. Legislative elections are scheduled for late spring — unless Mr. Zeroual delays them again.

Analysts said a political solution was more remote than ever.

"I am leaning toward the view that the present government is constitutionally incapable of changing its approach and fixing the problem," said Graham Fuller, author of a recent Rand Corp. study of the Algerian situation.

French Chateau Burns; Police Say It's Arson

Agence France-Presse

VERSAILLES, France — A historic chateau owned by a Japanese company that has been accused of stripping listed buildings of their valuables was badly damaged by a blaze Friday started by arsonists, officials said.

The public prosecutor, Yves Colleu, said the fire at the Sully chateau at Rosny-sur-Seine, west of Paris, was of "criminal origin." He said the police would investigate the possibility that the fire was set by vagrants or schoolchildren or was linked to criminal proceedings being brought against a Japanese businesswoman, Kiki Nakahara, who has been accused of forgery and organized fraud and is out of jail on bail.

Legendary Painter's Painter

By Holland Cotter
New York Times Service

NEW YORK — Agnes Martin is a legend in American art. The spare abstract paintings she has produced over the last 40 years — graphite lines through fields of white or gray or washy colors — are as highly revered, and as unchanging, as icons.

The contradictory nature of her work — luminous but static, meditative but spirited — draws both admirers and detractors. But her high reputation within the art world as a "painter's painter" is firm. And her longtime residence in New Mexico has placed her in the august if eccentric company of American isolate artists — Winslow Homer, Albert Pinkham Ryder and Marsden Hartley among them — who choose to stay far from the mainstream.

It was no surprise that Martin, who turns 85 in March, was not in New York when an exhibition of 15 of her new paintings opened at the PaceWildenstein Gallery. In fact, she rarely ventures far from Taos, where she lives in a retirement community.

"It's perfect for me," she says by telephone, her voice high-pitched and clear, her words measured and often punctuated by a small laugh. "We each have a small house of our own. People come to clean and to wash my clothes. I don't have to think about anything but painting."

The act of painting remains the absolute center of her life, and she approaches it with an artisan's industry and discipline. Her daily routine seldom varies. She rises early and drives herself to her studio. There she works steadily from 8:30 to 11:30 a.m.

She has made a few concessions to age. She no longer stretches her own canvases, and she recently reduced the size of her paintings so she could continue to move them around herself. But she insists on working alone. "I can't imagine having a studio assistant," she says. "I don't know what they'd do."

By noon, she's at lunch at a favorite restaurant. She spends afternoons reading at home. "I don't read nonfiction because it sticks in the mind. I have to keep my mind free for painting. I read mystery stories. In one ear and out the other. I like Agatha Christie best. I've read her so many times I practically know the words by heart." By 8 P.M., she's usually asleep.

Constancy and habit are as crucial to Martin's art as they are to her daily life. Her paintings of the last 25 years are all made in exactly the same way. She prepares her surfaces with two coats of chalky gesso. "That's all. Any more would take the tooth out of the canvas." Then she draws the horizontal lines, varying only the intervals between.

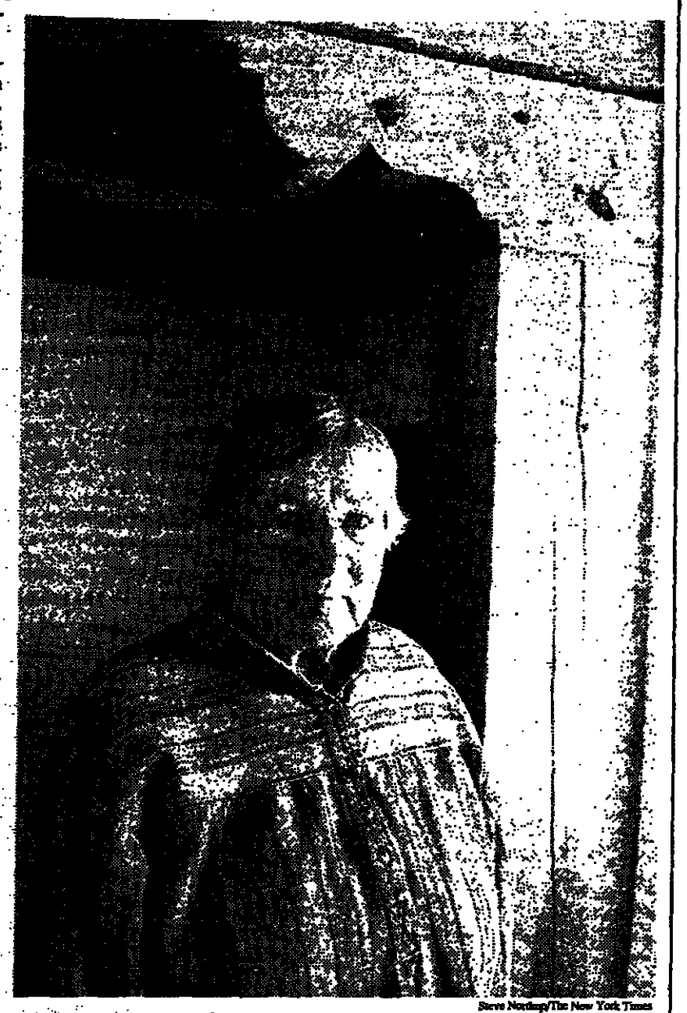
An application of acrylic paint thinned to a wash with water comes next ("I stopped using oils in 1964 because they took three days to dry"), leaving the faint but distinct trace of brush strokes on the surfaces. Her colors vary from series to series.

THE paintings at PaceWildenstein are in alternating bands of pale blue and yellow, which tend to merge optically to a fresh-rinsed green. Asked why she chose these colors, Martin gives an answer she has given many times before, in the oracular plain style that is her signature.

"I say to my mind, what am I going to paint next? Then I wait for the inspiration. The painting comes into my mind and I can see it. You have to wait if you're going to be inspired. You have to clear out your mind, to have a quiet and empty mind."

The very idea of inspiration has a distinctly romantic, 19th-century ring, especially today, when art is so often regarded as an immediate product of or reaction to social and political realities. But then, Martin's convictions about art's function also seem to be channeled from an earlier, more idealistic age.

The goal of art, she says, is "to make us aware of perfection in the mind."



Steve Northup/The New York Times

Martin in the Taos studio where she produces her spare paintings.

"The Greeks knew that in the mind you can draw a perfect circle," she continues, "but that you can't really draw a perfect circle. Everyone has a vision of perfection, don't you think? Even a housewife wants to have a perfect home."

Her views are sometimes called visionary, but Martin claims that she has nothing mystical in mind, and one is inclined to believe her. When she says, "I'm so anxious to be nonobjective, nothing in this world applies to my art. It's beyond the world. I paint about happiness and innocence and beauty," the words sound high-flown but have a practical effect.

They deflect overly literal readings of her paintings (she scorns the often made comparisons to landscapes, for example). And they establish an ideological grounding for an art that can easily look like a compulsive exercise.

Even so, a sense of insistence, even urgency is never far away when she speaks. "I didn't like my early work, because it wasn't abstract," she says. "I kept asking, what next, what next? I would stop painting because I was dissatisfied."

The story of Martin's early life, one of stops and starts, moving and settling only to move again, has a restless, unstable, wandering rhythm, though her earliest memories are calm and idyllic.

She was born in Macklin, Saskatchewan, the daughter of a wheat farmer who died when she was 2. Her parents were Scottish Presbyterians; her earliest books were the Bible and John Bunyan's "Pilgrim's Progress," which, she says, "I've read over and over."

"When I was a child, I was completely independent," she recalls. "My mother wasn't the worrying type. She renovated and resold old houses. I drew with my older brother. The first picture I bought was a print about the size of a big postcard. It was 'The Angelus' by Millet," the popular French 19th-century painting of a farm couple praying in a field against a sunset sky.

Before becoming an artist, though, Martin set out to find a career to support herself. "I studied to become a teacher because it was the easiest thing," she laughs as if giving away a secret. "And I came to the United States to go to college because I preferred the American form of education; it promoted the development of the individual." (She became a citizen in 1950.)

SHE studied at Columbia University Teachers College and received her master's degree in art education in 1952. But teaching, she says, "is the worst thing you can do if you're an artist."

"It takes all the emotional energy," she continues. "Sometimes I've preferred to wash dishes in a restaurant. Nobody tells you what to do. Nobody bothers you."

During the late 40s and early 50s, she explored Asian thought, which was enjoying a vogue in postwar America. She read the Buddhist scholar D.T. Suzuki and attended lectures by the Indian philosopher Krishnamurti. And although she never practiced non-Western religions, she values their ideas.

"One thing I like about Zen, it doesn't believe in achievement. I don't think the way to succeed is by doing something aggressive. Aggression is weak-minded."

Asian philosophy is one of many threads that run through Martin's conversation. There is also a strong dose of Emersonian transcendentalism (Emerson's description of Plato — "lover of limits, loved the illimitable" — might apply to her) and a touch of Calvinist predestination.

"I don't believe in influence," she says brusquely when asked about her work in relation to other artists. "Everybody grows up to be what they were born to be."

Ancient Art as History Book

Does Collecting Imperil Our Cultural Memory?

International Herald Tribune

LOS ANGELES — Should the buried treasures of the ancient world's greatest cultures be quarried indefinitely for the pleasure of collectors? Or should they be seen as primary source material for the unwritten history of the distant past?

The question comes to haunt the visitor as he walks through the show of "Ancient Art from the Shumei Family Collection," on view at the Los

SOUREN MELIKIAN

Angeles County Museum of Art until Feb. 9 in an expanded version of the New York exhibition held last year.

Few art shows have ever displayed side by side as many breathtaking masterpieces that no one knew anything about one or two decades ago. With its double focus on ancient China and the ancient Iranian world, the assemblage itself is an innovation.

Chosen with the most demanding eye for beauty in form and design, and a marked tilt towards precious metal and bronze vessels, it brings out affinities in style to which attention is rarely drawn. That could only be done with the freedom of choice of the art lover who disregards academic conventions.

But there is a downside. Looking at the pageant of the earliest objects from the eastern parts of the Iranian world, in present-day Afghanistan, one realizes that virtually nothing is known about them. The astonishing silver or electrum beakers that have been tumbling onto the market since the 1980s are still as much of an enigma as they were when they first appeared.

Limited similarities in costume call to mind the artifacts of Sumer and account for the suggested dating in the late 3d or early 2d millennium B.C. That, alas, says nothing about the meaning of the elaborate scenes executed in low relief on the sides of an intriguing silver beaker, nor, indeed, about the identity of those who made it. Presumed to be the predecessors of the Iranians, they remain an unknown quantity.

AN admirable large-size bull cast in lead, fitted with a vertical handle stuck in the back (it might be a weight) seems to tie in stylistically with some figures on the beaker, but the difference in scale and medium is considerable. Besides, the bull illustrates a self-assured art, whereas the beaker has a more archaic or primitive look. It all remains vague.

Then there is the question of the small stone statuettes which have been coming out of Afghanistan. A seated woman, small in size but monumental in conception, is one of the greatest examples known to this writer.

The head carved separately out of white limestone, which contrasts with the grayish green chlorite, displays stunning sculptural mastery. The expression is fraught with tension and anxiety. Miniature carvings of this type are ascribed to the culture that produced the silver beaker, but this is only an educated guess.

Other pieces are shrouded in even greater uncertainty. Does a gold disk with a bull's head in low relief, dazzling in its stylization, belong to the culture credited with the beakers and, possibly, the seated figure?

This, too, faintly evokes faraway Sumer, but that yields no clue — certainly none to the cultural identity of the maker.

In this generalized haziness, defining links or transitions from one period to another is problematic. The gap seems huge between these early vessels from the eastern areas of the Iranian world and the gold and silver beakers first revealed in the late 1950s by clandestine digs in the highlands between Tehran and the Caspian Sea.

Considered to be of a later date, the beakers from Northern Iran, of which the show includes three important examples, range from archaic to nearly "classical" in feel. The evolution must have been spread over centuries.

How these early developments led to Achaemenid art, best known through the Persepolis ruins, is, again, anyone's guess. Among the show's most stunning revelations are Achaemenid gold jewels with turquoise, lapis lazuli and carnelian insets of a type that has yet to be found in proper excavations.

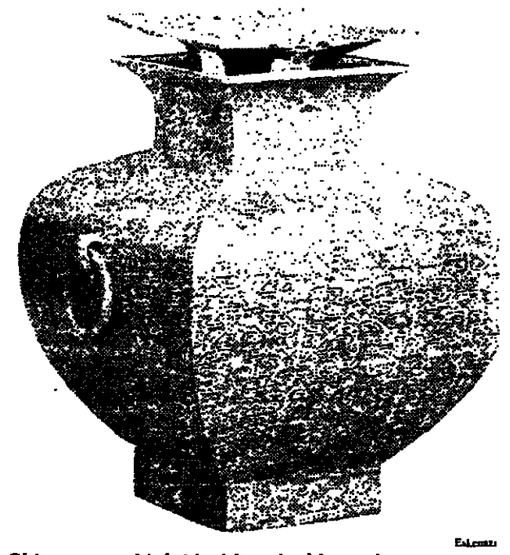
THE later periods of Iranian art should be better charted. They are not. The large drinking vessels in the shape of a horn terminated with the foreparts of an animal, called by specialists "rhyton" (when knowledge is next to nil, a Greek name sounds ever so scholarly), have virtually all come out of so-called "accidental" finds.

One of these is among the most sensational revelations in the show. The proportions of the curving horn-like section, and the naturalism with which the foreparts of a lynx clutching a shrieking cock are rendered, suggest some date around the 2d or 1st century B.C., when Hellenistic art had left a deep imprint on Iran.

I have recently shown in French journals, and in two monographs to appear shortly in the Bulletin of the Asia Institute, published by the University of Michigan, that early Persian sources of the Islamic period give us the names of the drinking horns and clues to the complex symbolism of a royal wine ritual in which they were used.

The Persian sources show that wine was substituted, probably in very early times, to the blood of sacrificial animals. It was seen as liquid sunlight, red or golden. This explains the choice of the animal shapes and some structural features of the drinking horns. Echoes of the solemn ritual with esoteric undertones, maintained well into Islamic times, ring throughout Persian poetry. Unfortunately, hardly any silver rhyta have been found in an archaeological context that might throw light on its setting.

Archaeology, of course, has its limits. Despite four decades of proper excavation work, the Chinese objects in the exhibition also call forth questions that cannot be answered.



Eskenazi

Chinese vessel inlaid with malachite and copper.

We still have no inkling why the Chinese bronze makers left the infinitely complex and as yet undeciphered symbols that cover the surface of the 12th century B.C. vessels (one of the greatest Shang wine vessels is in the show) for the quasi-geometrical formal patterns of the 5th or 4th century B.C. An admirable vase inlaid with malachite and copper bought from Eskenazi of London in 1993 illustrates these at their high point.

How China came to adopt the very Middle Eastern polychromy of gold and turquoise insets is still a matter for conjecture. The masterpiece of the genre is, perhaps, a pair of oval bowls (bought, again, from Eskenazi in 1991) considered to date from the same period.

Even the art of the Han dynasty, closer to our time, has its enigmas.

Whatever induced Chinese artists to turn away from the swirling, highly stylized animals that preoccupied them in the 4th and 3d century B.C. in favor of pure figuration with a quasi-classical touch, around the 1st or 2nd century B.C.? A small bronze horse in the show raises the question. So do hundreds of warriors and animals recovered in archaeological excavations since the 1950s.

IT may be that the documentation that would have provided the answer was lost in one or the other of the innumerable commercial digs.

The havoc goes on. Like children tearing off the coveted images of a book they are too lazy to read, we are dilapidating the common heritage of our global world. The devastation of our cultural ecology is no less than the disaster that destroys the earth.

BOOKS

THE UNLIKELY SPY

By Daniel Silva. 481 pages. $25. Villard Books.

Reviewed by
Richard Bernstein

DANIEL SILVA'S "The Unlikely Spy" comes with the garish raised lettering on the dust-jacket that by the unwritten rules of book-cover semiotics normally identifies it as pulp, in this case a thriller in which civilization as we know it will be destroyed unless the hero catches the bad guys in time.

That is, in fact, the essential idea of "The Unlikely Spy," which is about German efforts in World War II to foil the Allied landing in France.

But Silva's first entry into the espionage sweepstakes is better than that. It is a notably good example of its kind; it is briskly suspenseful, tightly constructed and full of well-rounded, believable characters.

Most important, Silva's book included a deception within the main mystery reminiscent of John le Carre's classic "The Spy That Came In From the Cold."

The story takes place mostly in England, secondarily in Germany and a little on Long Island and in Spain. A British history professor named Alfred Vicary, who happens to be a friend of Winston Churchill, is put in charge of the disinformation service of MI5, the British spy-catching outfit.

His adversary in Berlin is Kurt Vogel, who activates a "sleeper" planted in England in 1938, a ruthless, cunning, resourceful and (of course) extremely beautiful woman who goes by the name of Catherine Blake. Her task is to find out the time and place of the planned landing in France, a piece of information on which the war could turn.

To do so, she contrives to meet a young American engineer named Peter Jordan, who has been assigned to work on the immense reinforced concrete structures that the Germans have observed being built on the British coast.

Unknown to the Germans, the structures are to be used in creating an artificial harbor off Normandy. If the Abwehr, the German Army's intelligence service, finds that out, the Nazis will be able to guess where the invasion will take place and they will have a good chance of repulsing it.

Blake, using her tradecraft and her sex appeal and a cover story of being the bereaved widow of a British fighter pilot, has no trouble gaining access to Jordan's bed. Her spymaster, Vogel, has even given her the combination to the safe in Jordan's study and she photographs the designs and drawings that Jordan puts there before their nightly trysts, sending the film via a Portuguese courier to Lisbon and on to Berlin.

Meanwhile, alerted to the existence of a previously undisclosed spy network, MI5 orders Vicary to find it and roll it up or use it to feed "smoke" to the Germans that will make them draw erroneous conclusions about the Allies' invasion plans.

The action moves quickly back and forth from Vicary's office to Jordan's bedroom, from Hitler's mountaintop headquarters at Berchtesgaden to a windswept town on Britain's east coast.

Silva effectively uses historical figures to lend verisimilitude to his story. Vogel's boss in Germany is Admiral Wilhelm Canaris, the head of the Abwehr, who, in fact, was suspected by Hitler of collaborating with the British and was hanged in 1945.

Despite flaws, this is a high-grade yarn. Silva's cast of secondary characters is especially strong, and he has a knack for allowing the unforeseen, the accidental, the all-too-human to intrude, pushing the plot in an unexpected direction.

We know, of course, who won World War II, and that gives us a clue about the outcome of this story, but the route to that outcome is filled with the kind of dark and twisting passages that keep fans of spy thrillers guessing as they eagerly turn the pages.

Richard Bernstein is on the staff of The New York Times.

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Tough Trade

U.S. and Sudan

Many people must have been surprised to learn of the Clinton administration's stealthily granted permission for U.S. investment in Sudan, despite public U.S. contentions that Sudan is a terrorist-supporting state. Those interested in the news, reported by The Post's David B. Ottaway *(IHT, Jan. 24)*, may have included officials in South Africa, who have just withstood a U.S. tongue-lashing for considering the sale of tank gunsights to Syria, another alleged sponsor of terrorism. American officials, you may recall, had warned South Africa that all U.S. aid would be cut off if it went through with the sale, because U.S. law required such an action — no ifs, ands or buts.

There is, of course, a world of difference between selling weaponry and developing oil fields, the economic activity in question in Sudan. There can be no justification for South Africa's proposed arms sale to Syria, and news of reconsideration of the matter is welcome. Yet the elasticity of the law when it comes to U.S. economic interests — and especially when those interests also happen to contribute generously to the Democratic National Committee — will not go unnoticed in Pretoria, or anywhere else in the world. It can only undercut America's efforts to isolate what it considers — or says it considers — rogue states.

The facts related to Sudan remain somewhat murky. President Bill Clinton last April signed the Anti-Terrorism Act, which barred Americans from engaging in any financial transactions with governments on the U.S. list of terrorism sponsors: North Korea, Cuba, Syria, Iraq, Iran, Libya and Sudan. In August the administration exempted, for some transactions, Syria — ostensibly to encourage its participation in the Mideast peace process — and Sudan. The exemption for Sudan allowed the California-based Occidental Petroleum Corp. to open negotiations with Sudan on development of a 3.5 billion-barrel oil field. Occidental had given about $600,000 to the two political parties in the previous two years, almost evenly divided between Democrats and Republicans, including $100,000 to the DNC on March 29.

There is no evidence of a connection between those donations and the exemption for Sudan. But there is also no convincing explanation for why the exemption was granted. The State Department spokesman Nicholas Burns said Thursday that "there's less here than you might think." If investment is found "not to have an impact on any potential act of terrorism" or "to fund any group that supports terrorism," then it is permissible, he said.

"If we were talking here about Iran or Libya," Mr. Burns added, "it would be a different scenario."

But why? As with Iran, it is Sudan's government the United States has accused, not a particular organization within the country. The United States has approved military assistance for three of Sudan's neighbors that support Sudanese rebels. It expelled a Sudanese diplomat from New York last spring after alleging his involvement in a plot to bomb UN headquarters. Sudan, according to the State Department itself, serves "as a refuge, nexus and training hub" for terrorists. Why then allow U.S. companies to bolster Sudan's regime?

— THE WASHINGTON POST.

Canada and Cuba

Canada's foreign minister went to Havana and bowed to the new Atlantic consensus meant to bridge the gap between Washington's support of an embargo on Cuba and Europe's opposition. The connecting structure is supposed to be a common concern for human rights. But the bow seemed pretty artificial. Foreign Minister Lloyd Axworthy reached agreement on joint seminars and academic exchanges in human rights; Canada supports several of the nongovernment organizations making up Cuba's slight civil society. Welcome as they are, these gestures pale against the boost the Axworthy mission gave to trade and other respect-conferring contacts.

Americans should not kid themselves about the embargo. Whatever it was, it is now something that helps Fidel Castro more than it hurts him. The United States is alone on it and has been from the beginning. Washington has been even more alone since the collapse of the Soviet Union left Havana unable to pose any sort of strategic or subversive threat to U.S. interests. Last year's Helms-Burton Act blindly tightening the embargo did not merely further isolate the United States. It solidified the political foundation on which Fidel Castro has reached out to U.S. allies to circumvent the embargo. His easy exploitation of the Canadian foreign minister is a good example.

Recently, the Clinton administration got the allies to beef up the human rights component of their Cuba policy. This is well worth doing. Fidel Castro no longer threatens anyone outside his borders, but his — the hemisphere's only — example of dictatorial rule is repugnant. The allies, fascinated by the commerce, have been slow to reach out to oppressed Cubans. They have taken shelter in the notion that "engagement" by trade will open freedom's door. This theory holds some promise, but not enough to allow it to be the sole guide to policy.

It is a point the United States must make, but with care, for Washington is applying in China a policy not unlike that being conducted by Canada in Cuba. In both cases, free governments are rationalizing trade as a long-term solvent of dictatorship and are under pressure to show they are not abandoning principle for profit. In both cases, the pressure should be kept on.

— THE WASHINGTON POST.

No Rush in Russia

Boris Yeltsin's weakened health has understandably preoccupied Russian politics for months, but a new surge of calls for his resignation as president is premature. Mr. Yeltsin may eventually prove unable to give his country strong and enduring leadership. But unless he suffers a sudden decline, it will be several months before a sound judgment about his fitness can be made.

That is not to belittle the precariousness of his condition.

Weakened by heart problems and slowly recovering from bypass surgery and pneumonia, Mr. Yeltsin today is a frail figure. Despite a brief return to work and a flurry of decrees, he clearly cannot run the Russian government in his current state.

Mr. Yeltsin's rivals and opponents are eager to push him aside, propelled in part by mounting economic problems and polls showing growing impatience with the government. The Russian economy contracted by 6 percent last year, and the gap is rapidly growing between those who have done well under capitalism and those who have struggled or fallen into poverty. Crime and corruption remain staggering problems.

Russia's Communist-dominated Parliament approved a nonbinding resolution this past week to sack Mr. Yeltsin. Alexander Lebed, the former general who finished a strong third in the first round of presidential balloting last spring, is impatient to get on with a new election he is confident he can win. In a visit to New York this past week, he warned of coming chaos in Russia if problems like uncollected taxes and unpaid workers are not addressed.

Mr. Lebed's bulldozer approach to politics is both refreshing and unnerving. There may be a limit to the frustrations Russians will endure, but predicting instability only invites unrest.

Moscow's political leaders should not be so quick to talk of discarding a president. Mr. Yeltsin won election by a wide margin in a fair vote. The interests of democracy require that he be given a reasonable time to recover before Russia is asked to face the issue of his fitness to serve and the unpredictable consequences of a resignation.

Mr. Yeltsin has an able team of aides who can manage the government while he tries to regain his strength. If by spring it becomes clear that his recovery is faltering, he should not dodge the difficult issue of resignation or talk himself into the mistaken belief that he is indispensable. Under the Russian Constitution, new elections would be held within three months of a resignation.

Russia cannot wait indefinitely for its president to heal. But pushing him out the door now would do more to undermine democracy than a few more months of uncertainty about his health.

— THE NEW YORK TIMES.

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Europe Has 17 Months to Get Serious on Bosnia

By William Pfaff

PARIS — The first important decision of the second Clinton administration was made known on Wednesday. President Bill Clinton's newly confirmed secretary of defense, William Cohen, said that American forces will definitely quit Bosnia in June 1998. Bosnia thenceforth, according to Mr. Cohen, is "a European problem."

It is very important that Europeans believe this. Washington said once before, when war broke out in the former Yugoslavia in 1991, that it was a European problem. The European governments had said that they wanted Yugoslavia to be understood as a European responsibility. The Bush administration agreed, seeing no direct American interest engaged in the Balkans.

Two years later, it became clear to the Clinton administration that the Europeans were incapable of exercising that responsibility in any coherent way. They had settled for managing the refugee flow and protecting the humanitarian agencies' work with the civilian victims of the war.

They had politically defaulted. Joint European-UN proposals for ending the war, the Vance-Owen and subsequent Stoltenberg-Owen plans, merely ratified the ethnic partition of Bosnia wanted by both Serbian and Croatian governments. They also rested on volunteer compliance, which no one could seriously expect. They offended American opinion, as well as liberal opinion in Western Europe.

Under pressure even from such congressional conservatives as Bob Dole, the Senate majority leader, the Clinton administration launched a secret program to arm and train the Bosnian government army, the only force whose proclaimed goal was to establish a multiethnic, democratic state in Bosnia.

Since Bosnia is landlocked, this required collaboration with the Croatian authorities, and the American government saw retraining the Croatian Army as a price worth paying for access to Bosnia, and as a contribution in itself to recreating a power balance in the former Yugoslavia.

This policy was resisted in both London and, until the election of Jacques Chirac as French president, in Paris.

In the summer of 1995, the forces reconstituted under quasi-official U.S. auspices bestowed stinging defeats on Serbian forces in Croatia and Bosnia, emboldening NATO to bring the war to a halt. This led to the Dayton accords and to the political and material reconstruction that has followed in Bosnia.

Authority over that reconstruction has been divided among a score of international bodies, with the United States assuming a limited role, consistent with its contention from the start that its military participation was for a year only.

In November, however, Washington agreed that a reduced American force would participate for an additional 18 months in the NATO stabilization force — SFOR — which on Dec. 20 took the place of the original intervention force. Americans will remain the largest single national unit, with 8,500 troops.

Washington's decision to extend its military role into 1998 risks misleading Europeans into thinking that it will stay on even longer, beyond June 1998, when SFOR's mandate ends. Mr. Cohen's statement to the Senate that it will not do so must, on the contrary, be taken seriously.

The European Union has for several years been talking about its goal of a common European foreign and security policy, with nothing much tangible coming from that talk. There has been highly intelligent debate without practical conclusions.

The fundamental problem is continuing, and inevitable, disagreement on what the specific objectives should be for a European foreign and security policy. And so long as the ultimate responsibility for Europe's security — and, through the mechanisms of the Atlantic alliance, even its foreign policy — has remained with the United States, there has been no urgent need for anything to be decided.

Thus Bosnia since Dayton has in fundamental ways proven a repetition of Bosnia before Dayton. Europe has had no common policy.

What Washington has wanted has been done, and what it has not wanted (trouble about arresting war criminals, for example) has not been done. Europe has followed in Washington's train.

The issue of a new division of NATO responsibility between the United States and Europe — acrimoniously but inconclusively debated last year in Brussels, Washington and Paris — has overshadowed the question of an independent European foreign policy.

Now there is a new deadline for Europeans: June 1998. On that date Bosnia becomes Europe's problem. Seventeen months remain for the European governments and the Commission to define a common policy on the specific and practical problems of what should be done in Bosnia and the former Yugoslavia, and to prepare themselves actually to do it.

Will they accomplish this, and take over responsibility from NATO and the United States in 1998? Will they even seriously try? The answers will undoubtedly reveal whether Europe will be an independent political actor in the 21st century, or simply the satellite, or the victim, of others.

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Balanced Budget Amendment Is a Disaster in the Making

By Anthony Lewis

BOSTON — One thing above all led to the undoing of the "Republican revolution" that Newt Gingrich and his colleagues launched after their election victory in 1994. That was Mr. Gingrich's decision to shut down the government at the end of 1995 as a way of waging the policy conflict with President Bill Clinton.

The shutdown outraged the public. Americans, it turned out, did not agree with the radical Republican aim of disemboweling the federal government.

We Americans are now in serious danger of repeating on a far grander scale the folly of immobilizing the government. That would be a likely consequence of the proposal at the top of the Republican congressional agenda: a constitutional amendment to require a balanced budget.

One provision of the proposed amendment, not much noticed so far, would require a three-fifths vote in both houses of Congress to raise the limit on the U.S. debt. Sponsors of the amendment say this feature would be an automatic way to block deficit financing. But just think how it would likely work in practice.

As it is, the debt ceiling has produced crisis after crisis.

Getting a simple majority vote for an increase in the ceiling has often proved difficult, putting the government at risk of being unable to pay its bills. It will be far more difficult — often impossible — to win three-fifths of the votes in both houses.

Moreover, debt-ceiling crises tend to occur quickly, when budget forecasts have slipped. There is an unexpected slowdown in the economy, so tax revenues are below estimates. Or a financial crisis like that over savings and loans increases expenditure.

Suppose the president has presented a balanced budget, as the amendment would demand, but then events unbalance income and spending.

There is no way to raise taxes or cut spending quickly enough to avoid the need for temporary borrowing, so the president asks Congress to increase the debt limit.

Forty-one senators, one more than two-fifths, could block the increase. Different members of that bloc would have different prices for relenting: build my dam, shift money from Medicaid to Star Wars, whatever. It takes no great analytical skill to appreciate how extraordinarily hard it would be to work through such a crisis.

Failure is likely, at least temporarily. And that would mean one of two things: shutting down parts of the government or having the United States go into default.

That scenario is not farfetched. It is the logical outcome of the balanced budget amendment. And it would have consequences far graver than the overreaching by Newt Gingrich that closed much of the government in 1995.

For the U.S. government to default on its obligations, or even to approach a serious possibility of default, would be devastating to financial markets in the United States and everywhere. If it happened once, confidence would be weakened even if we emerged from the first crisis.

Everyone would understand that the system — the new system created by the amendment — virtually ensures more crises in future.

Foreseeable consequences of that kind have led a broad spectrum of financial and economic thinkers to oppose the amendment. Alan Greenspan stated his opposition this past week. Robert Eisner, past president of the American Economic Association, spoke for 38 economists, including nine Nobel laureates, in a critical article in The Wall Street Journal. The Center on Budget and Policy Priorities, a liberal think tank in Washington, has issued formidable analyses.

The possibility of a crisis over the debt ceiling is only one eventuality of many that alarm those and other critics of a balanced budget amendment. The amendment would effectively end majority rule in Congress, giving minorities new blocking powers and assuring stalemate again and again.

The Republican leaders who are pushing the amendment must be aware of those dangers. They have to be going ahead, then, either because they are in the iron grip of ideology or because they see a chance for partisan point-scoring. Neither reason justifies endangering the system that has enabled America to survive and prosper over 200 years.

The New York Times.

Enough Utopian Talk: Clinton Now Must Focus on Specifics

By Jim Hoagland

WASHINGTON — President Bill Clinton went after the vision thing with a vengeance in his inaugural address, a bright kaleidoscope of sparkling but unconnected images from Utopia. Now he turns to a laundry list of real tasks he will set for Congress and himself in his State of the Union message.

These two speeches and the transformation they demand serve a mighty purpose: They should prod the nation, and the president, to move beyond mellow and focus on priorities and policies. They get us from here to there.

President Clinton soared off on solo flights of rhetorical fancy on Jan. 20. On Feb. 4, Congress will bring him back to Earth, waving the purse and demanding to know where the rent money is. President and legislature are the sitcom married couple of U.S. federalism: He gets to dream grandiose dreams and tell great stories, she gets to fret about the cost of the new stove.

At his second swearing in, Mr. Clinton seemed intent on answering criticism during the campaign that he failed to lay out a clear vision of his leadership of America and of America's leadership of the world.

Racing from big picture to big picture, he promised America's children streets in which "no one will try to shoot them or sell them drugs any more." Abroad, America "will lead a whole world of democracies." Details to come.

The president tipped his hand, and his irritation, in a television interview a few weeks ago when he grumbled about critics who were quick to carp but never put forward visions of their own. Several letters from readers sounded the same theme after I expressed mingled hopes and skepticism about Clinton II's ability to change the ad hocism that surfaced in many of the foreign policy decisions of Clinton I.

As this inaugural address proved, vision-mongering is both easy and pointless. Grant the president this: The V-word has been used imprecisely and profligately by critics. Lack of vision is a charge he does not need to address again when he appears before Congress on Feb. 4.

What is needed is a focus on consistency, and on principle, in dealing with the rest of the world. The backtracking on NATO expansion and the abrupt reversals on China, Bosnia and Somalia that Clinton I produced are awful examples of what not to do and how not to do it. The president needs to convey a sense of considered, sustainable direction when he speaks to Congress and the nation.

The part of the State of the Union message devoted to foreign policy should be substantial and specific this year. The president should not be lulled into accepting the argument that America is at peace and that he need not worry the public with foreign policy.

He should use this speech above all to refocus attention and energy on America's relations with Russia and the central role that relationship still plays in global stability.

Mr. Clinton and Congress have been fairly diligent in assessing and responding to the confused developments in Moscow over the past four years. But this has not prevented "a downward drift toward mutual alienation" that is now accelerating dangerously.

The quote and the warning come from an important Rand Corp. study that has been mentioned in newspaper columns but has not yet received the official attention it deserves. Entitled "Stopping the Decline in U.S.-Russian Relations" and written by former Senator Sam Nunn, Robert Blackwill of Harvard and Arnold Horelick of UCLA, the paper lays out a consistent, comprehensive approach to a major foreign policy problem only briefly summarized here.

The authors — whose views have always been on the hawkish side — argue that Boris Yeltsin's "precarious hold on power" immobilizes Moscow and requires Washington to take the initiative in finding "a soft landing" for NATO enlargement. Washington also needs to move quickly to revise and consolidate the arms control agreements "that have been the legal anchors securing the post-Cold War peace" if their unraveling is to be avoided.

The State of the Union address is the right moment for the president to call on the Republican majority in Congress to join him in a bold initiative to break the developing deadlock with Russia. He could use his speech to propose a new era of minimal nuclear arsenals and promise to negotiate to get each side to cut its nuclear warhead total to 1,000, or less if possible.

That is the kind of big, specific and dynamic proposal this moment of rededication demands, not a laundry list or a repetition of generalities about enlarging democracy. After Jan. 20, the reaction to that kind of speech would likely be: Been there. Heard that.

The Washington Post.

Give the Mideast Peace Train a Push

By Gideon Rafael

JERUSALEM — The long wait of the peace train at the gates of Hebron, the yearlong suspension of negotiations with Syria, the deadly riots in the West Bank in September and the change of government in Jerusalem have muted the heralds of peace in the Middle East.

The long standstill in talks between Israel and the Palestinian Authority — the recent Hebron agreement notwithstanding — and in Israeli talks with Syria and Lebanon have dangerously stalled the peace process. It has lost much of its drive.

Militant declarations have aggravated suspicions and anxieties. As far back as 1956, Moshe Sharett, Israel's first foreign minister, warned that "the assumption that we are on the verge of war, taking root in the mind of the masses, could ultimately cause such a war."

U.S. Secretary of State Dean Acheson was no less explicit when he cautioned earlier that nothing contributes more to the outbreak of war than the constant reiteration of its inevitability.

In a situation of precarious peace and irresponsible war rhetoric, an outburst of violence can easily trigger a chain reaction. The Middle East, rife with combustible material, faces the constant danger of ignition by a spark, be it the shooting of passersby in Hebron by a Jewish fanatic or the massacre of passengers on a bus in Jerusalem by Arab suicide bombers.

Was it in anticipation of things to come or because of his deep aversion to the Oslo accord that Prime Minister Benjamin Netanyahu recently warned that "the renewal of acts of terror, or the mere consent to it, is liable to cancel the Oslo agreements and lead to war." No less alarming were recent accusations from Damascus that Israel had been involved in a recent bus bombing there — an allegation patently false but nonetheless grist for the mills of hostility.

No doubt, the peoples of the Middle East are tired of war and bloodshed. President Anwar Sadat's proclamation in Jerusalem in 1977 — "no more war" — expressed the hopes and longings of all. However, the people don't rush into war, they are dragged into it by reckless leaders seeking an escape from the ship of state they have managed to run aground.

A new Arab-Israeli war would neither eliminate the Jewish state nor prevent the emergence of a Palestinian state. But in a new war, the home front might not be spared war's horrors as in the past, since ballistic missiles would probably be used not just against military targets. And no one can guarantee that panicked desperados would not resort to weapons of mass destruction.

All past experience has shown that there is no other way to defuse the time bomb of the Arab-Israeli conflict than the energetic and intensive engagement of the United States, supported by its allies.

But powerful third-party dissuasion alone is not sufficient to prevent tensions from degenerating into armed conflict or mass uprising. It must be coupled with an urgent and sustained effort to break the deadlocks on the peace front. The Israeli-Palestinian contest remains the central issue of the Arab-Israeli conflict. Only the sincere and full implementation in word and spirit of the Oslo agreements can bring about its peaceful settlement.

No less important is the swift resumption of negotiations between Israel and Syria. And last but not least — and, in fact, as soon as possible — Israel must terminate its presence in Lebanon. It should place the conditions of its withdrawal high on the agenda of talks with Syria.

Steady progress in these three areas is the safest way to keep the Middle East from descending into an abyss of chaos, devastation and untold human suffering.

The writer, a founding member of the Israeli Foreign Ministry, is a former ambassador to the United Nations. He contributed this comment to the International Herald Tribune.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1897: Canal Imbroglio

NEW YORK — Minister Rodriguez' notification that the passage of the Nicaragua Canal bill would render the charter of the Maritime Canal Company completely worthless affords another proof of the blind and reckless haste which has characterized the proceedings of Congress in this important matter. Congress has been eager to vote hundreds of millions of the people's money for the visionary scheme and might have done so had not a timely deathblow been dealt by the Central American Minister.

1922: Egyptian Arrests

CAIRO — Eight members of the Wafd, who signed a manifesto calling upon the population to carry out a strict boycott of British goods, have been arrested. Four newspapers which published the manifesto have been suspended. The manifesto recommends non-co-operation and the boycott as the most effective weapons in the hands of the Egyptians. "God forbid," reads the manifesto, "that your bodies should touch English goods and that your hands should co-operate with any Englishman."

1947: French Censors

PARIS — French authorities tacitly admitted yesterday [Jan. 24] the growing seriousness of their war against the Viet Namese Nationalists by imposing complete censorship on all news coming from Indo-China. The decision was announced from French higher headquarters in Saigon. The announcement stated that a joint military and civil censorship board had been set up for the "preventive control" of all news correspondence and broadcasts from the Far Eastern theater.

Yen's Drop Jolts Importers of Cars and Luxury Goods

By Velisarios Kattoulas
International Herald Tribune

TOKYO — Corporate Japan has not yet felt the benefits or the pain of the yen's continuing drop against the dollar, but Japanese subsidiaries of foreign companies are beginning to feel the pinch.

Among the most vulnerable have been importers of automobiles and luxury goods, many of which have been forced to push up their prices.

European and U.S. carmakers are among those hardest hit by the weakness of the yen. The dollar rose to 120 yen in Tokyo at one point Friday, its highest level since 1993, before slipping to close in New York at 118.90 yen.

For years, foreign carmakers had been slowly gaining ground in the Japanese market by cutting prices. According to a survey by the Japan Automobile Importers Association, the average price of imported cars sold in Japan in 1995 was 1.2 million yen ($10,000) lower than it was in 1992. That partly reflected a switch from selling only luxury cars to offering less expensive models as well. But the change in the yen's value was a more important factor.

Now that the dollar has risen 50 percent from its April 1995 low against the yen, and major European currencies have generally shown similar gains, foreign carmakers have been forced to abandon their price-cutting offensives. A strong yen cuts the cost of imports, while a weak yen has the opposite effect.

On Jan. 1, the German automaker Bayerische Motoren Werke AG raised the price of its popular 525i car by 150,000 yen, to 5.43 million yen, to offset the decline in value of the Japanese currency.

"Our costs are denominated in German marks, so when the yen falls against the mark as it has recently, we adjust the prices we charge in Japan," a BMW representative in Japan said.

The Nihon Keizai Shimbun, a daily business newspaper, said the price increase for the remodeled 525i only six months after its Japanese launch was "unprecedented" and illustrated how difficult the weak yen had made the Japanese car market for foreign manufacturers.

Ford Motor Co. also has been hurt by the yen's fall. "Right now we are suffering," a Ford spokeswoman, Tomoko Kurumizawa, said. "We have not decided whether to respond to the yen's weakness by raising prices, but we are considering it."

Foreign luxury-goods manufacturers, including the Japanese arm of LVMH Moet Hennessy Louis Vuitton SA, have also been forced to raise prices.

"Our policy is to charge customers in Japan 1.45 times what they would pay in France," an LVMH representative said. "That means that when the yen rises or falls against the franc, we have to adjust prices." The company raised prices for its ubiquitous leather bags by 6.6 percent last June and will raise them a further 4.5 percent Feb. 1, she said.

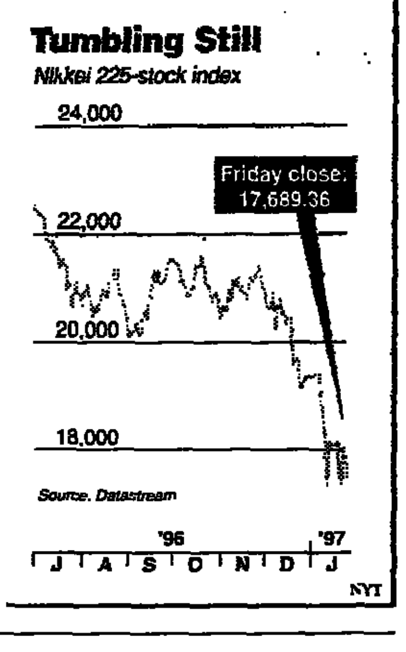
Many foreign companies insist the price rises will not halt a trend of rising sales in Japan. But analysts say that, together with a planned rise in the consumption tax in April to 5 percent from 3 percent, price increases are likely to make it difficult for foreign companies to sustain sales growth.

Tokyo's stock market has reflected the bleak economic outlook. The benchmark Nikkei 225 stock index, which has lost nearly 10 percent since the start of the year, fell 220.10 points, or 1.23 percent, to close Friday at 17,689.36.

The biggest winners from the yen's fall are Japanese electronics companies and carmakers, which make increasing portions of their sales overseas.

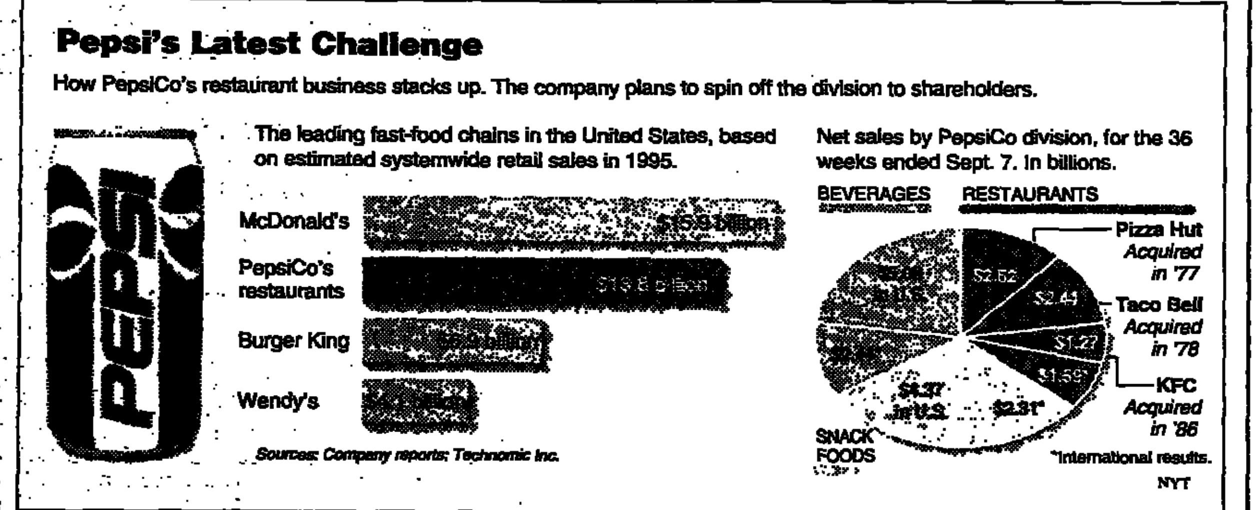
Nintendo Co., the video-game maker,

See YEN, Page 13



For Pepsi, A New Take On Profit

Core-Business Focus Brings Market Kudos



By Jay Mathews
Washington Post Service

NEW YORK — PepsiCo Inc.'s decision to spin off to shareholders the company's restaurant division is the latest in a growing number of such transactions aimed at improving profit by focusing on core businesses.

The value of such spin-offs tripled to $80 billion last year as U.S. investors embraced companies that had dismembered themselves in hope of raising stock prices.

PepsiCo directors voted Thursday to focus on their beverage and snack businesses and spin off to shareholders the company's nearly 29,000 Pizza Hut, Taco Bell and KFC restaurants worldwide. The move would create one of the biggest restaurant companies in the United States, second only to McDonald's Corp.

PepsiCo stock, which gained $2.25 Thursday, fell $1.625 to $33.875. Wall Street analysts had recommended that PepsiCo shed the restaurants to rid itself of sluggish businesses that had limited profit growth and had drawn executive time and capital away from the healthier soft drink and Frito-Lay snack-food divisions. "It's a great idea," said Thomas Hoens, a senior director at Fitch Investors Service Inc. "There comes a time when one area of a business interferes with another area of a business." He said both PepsiCo and its spin-off would have a better chance of raising their stock prices because they could focus on their core businesses.

The company did not release an immediate outline of the terms of the spin-off but said it expected to complete the move, which would be tax-free, by the end of the year. It said it also would consider selling its PepsiCo Food Systems unit, which distributes more than $3 billion of restaurant equipment and supplies annually, mostly to its own restaurants.

In the 1960s and 1970s, large investors rushed to buy stock in conglomerates, which reduced risk by owning many kinds of businesses. They argued that if one product had a bad year, profits from the conglomerate's other products would make up for it.

By the 1990s, large institutional investors had abandoned the search for security and instead demanded fat returns on investments. Such investors say they can diversify their own portfolios to reduce risk and thus do not need companies to do it for them

Analysts now argue that companies focusing on fewer product lines are more likely to be profitable. Corporations such as Westinghouse Electric Corp., AT&T Corp. and ITT Corp. have seen their stocks soar, at least temporarily, as a result of restructurings that gave shareholders stock in new companies composed of divisions that the parent companies consider less profitable or not relevant to their core businesses.

John Maxwell Jr., an analyst who follows PepsiCo at Wheat First Butcher Singer Inc. in Richmond, Virginia, said he did not think the PepsiCo spin-off would hurt shareholders but was not convinced that it would be of great benefit, either.

Spin-offs, he said, "are a Wall Street fad." All three of PepsiCo's major fast-food chains held substantial shares of their markets, he said, and it may prove shortsighted to dump them just because they were in a slump compared with the soft-drink and snack businesses.

PepsiCo on Thursday extolled its restaurant division, which it said had retail sales of $20 billion in 1996 and revenue growing at 12 percent annually in recent years.

"Our goal in taking these steps is to dramatically sharpen PepsiCo's focus," the company's chairman and chief executive, Roger Enrico, said. "Our restaurant business has tremendous financial strength and a very bright future. However, given the distinctly different dynamics of restaurants and packaged goods, we believe all our

See PEPSI, Page 13

Interest-Rate Fears Drag Stocks Down

But Analysts Foresee No Big Fall

By Mitchell Martin
International Herald Tribune

NEW YORK — Stock prices ended the week on a sour note Friday, registering a second straight day of losses as interest-rate concerns rattled investors.

Although equity prices remain vulnerable to further declines, analysts said the market seemed unlikely to suffer a major correction.

The Dow Jones industrial average closed down 59.27 points, or 0.88 percent, at 6,696.48. The Standard & Poor's 500-stock index fell 7.04 points, or 0.91 percent, to 770.52.

The weakness followed a drop of 94.28 points Thursday, when New York Stock Exchange volume was a record 683.8 million shares. On Friday, 542.8 million shares changed hands.

Friday's weakness was triggered by rising bond yields, analysts said, reflecting concern that the Federal Reserve Board would vote in the next several weeks to raise short-term interest rates.

The central bank last altered interest rates a year ago, when it cut them, and then stayed its hand even though the U.S. economy expanded by about 3 percent last year.

That growth in the gross domestic product was accompanied by modest core consumer-price inflation of 2.6 percent, excluding food and energy prices, even though the relatively low U.S. unemployment rate of 5.3 percent might have been expected to put upward pressure on wages. The inflation rate including the food and energy components was 3.3 percent last year.

Although the Fed chairman, Alan Greenspan, indicated in congressional testimony Tuesday that the central bank had not seen concrete evidence of substantial inflation in American wage demands, possibly because workers are fearful of losing their jobs if their skills become obsolete, comments late Thursday by another Fed governor ignited interest-rate fears.

Susan Phillips said in an interview with Bridge News that the central bank was in a "heightened state of alert" about inflation, with energy prices and wages posing the biggest risk.

The yield on the 30-year Treasury bond rose to 6.89 percent from 6.86 percent Thursday and 6.82 percent a week earlier. Its price fell 12/32 of a point, to 95 3/32.

"Seven percent would be a very crucial point for equity valuations," Lawrence Rice, head of equity research at Josephthal, Lyon & Ross, said of the bond yield. A yield of 6.85 percent on the 30-year Treasury issue meant investors already were positioning themselves for a Fed tightening in coming weeks, he said, so the added rise was worrisome.

Part of the reason bond yields were rising, he said, was that corporations had been tapping the market for funds, with $1 billion of debt hitting the market Friday. Additionally, the Treasury is planning to sell new inflation-indexed bonds next week.

Mr. Rice said that although he did not think a bear market was imminent, the rising interest rates were enough to keep professional investors from adding to their stock holdings.

"Stocks are not attractively valued," he said, but added, "nor are they overvalued."

Even after its declines Thursday and Friday, the Dow is up 3.85 percent so far this year, a gain brought about by hopes that corporate earnings would grow.

With the economy expanding at its lively pace and fourth-quarter earnings

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ECONOMIC SCENE

Rich-Poor Gap in U.S. Appears to Be Shrinking

By Steven Pearlstein
Washington Post Service

WASHINGTON — Good news from the inequality front: Some of the biggest gains in wealth in the past few years have come among working-class Americans, who are more likely to own a home, maintain a checking account, save for retirement and invest in mutual funds than ever before.

That's the evidence from the Federal Reserve Board's latest survey of family finances published this month. The Fed's survey, taken once every three years, survey is the government's only gauge of family wealth.

Net worth — the value of assets minus debt — for the typical, or median, family in the United States changed little in inflation-adjusted terms from 1989 to 1995. It went down during the 1992 recession and by the end of 1995 had regained the lost ground.

But breaking down the population by occupations of heads of households yields some interesting variations.

The "winners" over the period appear to include households headed by technical, sales and clerical workers, machine operators and laborers, service sector workers, and retirees.

The families that have seen a decline in net worth are those headed by professionals and managers, skilled production workers and the self-employed.

This democratization of wealth, although slight, is noteworthy in that it seems to represent a turning point after years in which it seemed that the rich were pulling ahead while the middle class was disappearing and the working class was falling behind. But in terms of family wealth — what people have rather than what they earn — the gap may actually be closing.

The data "suggest a lessening in the inequality of wealth," said Edward Wolff, a New York University economist who has studied wealth trends.

The survey, however, does not offer explanations for this trend.

As Mr. Wolff says, these wealth data are still preliminary and even in final form are notoriously difficult to draw conclusions from. Data on the market value of autos and houses can be highly subjective, and overall net worth fluctuates with changes in real-estate and stock prices, which have bounced around quite a bit since 1989.

The data also are skewed toward rising wealth because of the shift by many companies in the past six years from defined-benefit pension plans, which are not included in the survey, to 401(k) and other defined-contribution pension programs, which are included.

The popularity of retirement accounts is one of the bright spots of the latest Fed survey. In the past three years alone, the Fed found, the percentage of households with retirement accounts rose to 43 percent from 38 percent. The biggest jumps in participation rates were recorded by workers under age 44, minorities, machine operators and laborers.

But except for those with family incomes above $100,000, the value of these funds remains paltry. The average retirement account holds only $16,000, and even workers over age 55 typically have only $33,000 stashed away.

The Fed survey confirmed that Americans were moving more of their savings out of bank accounts and direct investments in stocks and bonds and into mutual funds. Six years ago the funds, excluding money-market funds, accounted for 5 percent of the financial assets of families; in 1995 they accounted for 13.2 percent. The big growth in fund investment seems to have come from baby boomer households with annual incomes above $50,000.

Overall, the Fed found that 41 percent of U.S. families have some direct or indirect stake in the stock market, up from 32 percent just six years ago, with the biggest jumps recorded by families headed by younger and less affluent workers.

For most Americans, their home remains the largest element of their net worth, and home-ownership rates began to rebound in the past three years among those under age 35. They also are rising for blue-collar manufacturing and service workers and among other households with annual incomes above $25,000.

Overall, the Fed found that the typical level of indebtedness for the three-quarters of families that had any debt was $22,500, up from an inflation-adjusted $19,500 in 1992, and credit-card balances now account for a larger share of that indebtedness than ever before.

The Fed estimates that about one family in nine now faces annual debt payments that exceed 40 percent of family income. The rate rises to one family in six among those earning less than $25,000 a year.

Along with the democratization of assets, it seems, has come a democratization of debt.

British Telecom Dreams

By Youssef M. Ibrahim
New York Times Service

LONDON — Fresh from the acquisition in November of the long-distance telephone company MCI Communications Corp. for $23 billion, Sir Peter Bonfield, the chief executive of British Telecommunication's PLC, is busy charting how to transform a basic utility company into the world's fourth-largest global telecommunications entity — richer than several Third World governments and peopled with almost 180,000 employees.

In an interview at corporate headquarters here this week, Sir Peter, 52, a computer engineer who has worked as an executive at Texas Instruments Inc. and at ICL PLC in Britain, said his experiences in 15 years of living in America would help British Telecom transform itself from a one-dimensional telephone company into a multiservice, multimedia telecommunications "phenomenon."

"A few years ago, you had just standard telephone services," Sir Peter said, "and now you've got Internet data services, mobility services, multimedia services, video on demand — so the whole proposition to our customers is really quite different, and this overlaps into adjacent industries, like film, cable and satellite companies. It is a fundamental change."

Asked to enumerate the hurdles ahead for Concert, the company that will emerge from the fusion of BT and MCI if regulators in Britain and the United States approve, Sir Peter stressed the deregulation of the communications industry worldwide in the next few years.

"Coming out of that there will be a few much larger global companies and then a proliferation of niche companies," he said. "It is a far cry from the

See BT, Page 13

CURRENCY & INTEREST RATES

Cross Rates Jan. 24

	$	£	D.M.	F.F.	Lira	D.Fl.	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	1.829	2.980	1.1233	0.331	0.1153*	—	5.405*	1.3019	1.536*	1.358	1.233*
Brussels	33.50	54.685	20.617	6.1135	2.166*	18.3625	—	23.825	0.2833	24.84	24.58*
Frankfurt	1.6307	2.658	—	0.2965	0.1024*	0.8906	4.858*	1.1563	1.373*	1.2086	1.184*
London (a)	1.6286	—	2.6484	8.9337	2,583.04	2.9743	54.6558	2.2875	199.488	2.1945	223.3625
Madrid	137.132	223.457	84.259	24.987	8.626*	75.826	4.0869	97.554	115.694*	101.677	—
Milan	1,580.20	2,597.75	976.35	289.24	—	867.42	47.258	1,126.30	13.37	1,178.95	11.597
New York (b)	—	1.6296	1.6896	5.4965	1,589.00	5.4965	33.57	1.466	118.90	1.3488	137.25
Paris	5.4885	8.945	3.373	—	0.3459*	3.0034	0.1636	3.9052	4.6312*	4.0792	4.0085*
Tokyo	118.95	193.65	72.97	21.63	0.747	64.98	3.5412	84.12	—	88.46	0.8668
Toronto	1.3459	2.2016	0.8285	0.2455	0.0849*	0.7382	[illegible]	0.96	1.1347*	—	0.982*
Zurich	1.4065	2.2903	0.8635	0.256	0.0885*	0.7685	4.1823*	—	1.1885*	1.0408	1.0251*
1 ECU	1.1972	0.7347	1.9484	6.572	1,903.15	2.1887	40.172	1.6489	141.904	1.6147	164.28
1 SDR	1.4031	0.8605	2.2895	7.7024	2,230.48	2.5646	47.3532	1.9806	167.11	1.8792	191.535

Closings in Amsterdam, London, Milan, New York, Paris, Toronto and Zurich, fixings in other centers.
*a: To buy one pound; b: To buy one dollar; *Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9988	Greek drac.	255.77	Mex. peso	7.79	S. Afr. rand	4.677
Australian $	1.2953	Hong Kong $	7.7402	N. Zealand $	1.4399	S. Kor. won	854.30
Austrian sch.	11.472	Hung. forint	168.92	Norw. krone	6.5419	Swed. krona	7.2035
Brazil real	1.0435	Indian rupee	35.84	Phil. peso	26.34	Taiwan $	27.46
Chinese yuan	8.3254	Indo. rupiah	2375.00	Polish zloty	2.97	Thai baht	25.82
Czech koruna	27.84	Irish £	0.6241	Port. escudo	163.28	Turkish lira	114745.
Danish krone	6.2239	Israeli shek.	3.2973	Russ ruble	5613.00	UAE dirham	3.6785
Egypt. pound	3.393	Kuwaiti dinar	0.3012	Saudi riyal	3.75	Venez. boliv.	473.50
Fin. markka	4.8564	Malay. ring.	2.4883	Sing. $	1.4072		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.6276	1.6267	1.6258	Japanese yen	118.15	117.68	117.13
Canadian dollar	1.3453	1.3428	1.3400	Swiss franc	1.4013	1.3974	1.3926
Deutsche mark	1.6241	1.6211	1.6175				

Sources: ING Bank (Amsterdam); Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR). Other data from the Associated Press, Bloomberg and Reuters.

Libid-Libor Rates Jan. 24

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU
1-month	5 3/8 - 5 1/2	2 7/8 - 3 1/8	1 7/16 - 1 9/16	6 1/8 - 6 1/4	3 1/4 - 3 3/8	3/8 - 1/2	4 - 4 1/8
3-month	5 7/16 - 5 9/16	3 - 3 1/8	1 7/16 - 1 9/16	6 1/4 - 6 3/8	3 1/4 - 3 3/8	7/16 - 1/2	4 - 4 1/8
6-month	5 1/2 - 5 5/8	3 - 3 1/8	1 1/2 - 1 5/8	6 5/16 - 6 7/16	3 5/16 - 3 7/16	7/16 - 1/2	4 - 4 1/8
1-year	5 3/4 - 5 7/8	3 1/8 - 3 3/16	1 11/16 - 1 13/16	6 1/2 - 6 5/8	3 1/4 - 3 3/8	1/2 - 5/8	3 15/16 - 4

Sources: Reuters, Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

United States	Close	Prev
Discount rate	5.00	5.00
Prime rate	8 1/4	8 1/4
Federal funds	5 1/4	5 5/16
90-day CDs dealers	5.42	5.42
180-day CP dealers	5.32	5.32
3 month Treasury bill	5.03	5.03
1-year Treasury bill	5.31	5.30
2-year Treasury bill	6.05	6.03
5-year Treasury note	6.36	6.36
7-year Treasury note	6.47	6.45
10-year Treasury note	6.62	6.58
30-year Treasury bond	6.88	6.86
Merrill Lynch 30-day RA	4.93	4.93
Japan		
Discount rate	0.50	0.50
Call money	0.43	0.42
1-month interbank	0.53	0.53
3-month interbank	0.56	0.56
6-month interbank	0.56	0.56
10-year Govt bond	2.49	2.52
Germany		
Lombard rate	4.50	4.50
Call money	3.15	3.20
1-month interbank	3.17	3.12
3-month interbank	3.15	3.13
6-month interbank	3.15	3.15
10-year Bund	5.78	5.73

Britain		
Bank base rate	6.00	6.00
Call money	6 1/16	6 1/8
1-month interbank	6 1/8	6 1/8
3-month interbank	6 1/4	6 5/16
6-month interbank	6 3/8	6 3/8
10-year Gilt	7.45	7.36
France		
Intervention rate	3.15	3.15
Call money	3 1/4	3 1/4
1-month interbank	3 1/4	3 1/4
3-month interbank	3 1/4	3 1/4
6-month interbank	3 1/4	3 1/4
10-year OAT	5.58	5.57

Sources: Reuters, Bloomberg, Merrill Lynch, Bank of Tokyo-Mitsubishi, Commerzbank, Credit Lyonnais.

Gold

	A.M.	P.M.	Ch'ge
Zurich	352.35	353.00	+4.45
London	352.95	352.50	+4.50
New York	352.80	353.60	+1.10

U.S. dollars per ounce. London official fixings; Zurich and New York opening and closing prices; New York Comex (Feb.)
Source: Reuters.

Seoul to Provide a Cash Cushion

Hanbo's Failure Brings Move to Aid Banking System

Compiled by Our Staff From Dispatches

SEOUL — South Korea's central bank said Friday it would inject 1 trillion won ($1.17 billion) into the commercial banking system to prevent a flood of bankruptcies emanating from the collapse of the country's second-biggest steel company.

"We would have seen interest rates soar today if the central bank hadn't injected the money," Yoon Man Chul of Dongsuh Securities said.

Hanbo Steel & General Construction Co. delayed its filing for court receivership until Monday to complete its paperwork, a spokesman for Hanbo Group said. In announcing the bankruptcy Thursday, the chairman of the parent company, Chung Bo Keun, said the unit would submit the court application Friday.

Hanbo Steel defaulted Thursday on more than 5 billion won in promissory notes after excessive investment in facilities, executives at creditor banks said. Hanbo officials said the steelmaker had debts to banks and other financial institutions totaling 5.7 trillion won, an amount roughly equivalent to the annual sales of Hanbo Group.

The collapse will increase debt problems at South Korean banks and may be mirrored at other *chaebol*, or conglomerates, damaging an already shaky economy that is growing at its slowest pace in four years. The combined sales of the top five chaebol — Samsung Co., LG International Corp., Daewoo Corp., Sunkyong Ltd. and Hyundai Corp. — are equivalent to half of South Korea's gross domestic product.

"We can easily find Hanbo's case in most chaebol, as they have steel units, banks and debt-ridden affiliates," Lee Ki Woong of Daehan Investment Trust Co. said.

One company with similar problems is Sammi Steel Co., a specialty-steel maker with debts of more than 1 trillion won. Sammi has offered to sell businesses that represent about three-quarters of its sales to Pohang Iron & Steel Co., the country's largest steel company. While the sales would reduce Sammi's debt, analysts said, they also would undermine the long-term profitability of its parent, Sammi Corp. Sammi Steel accounted for about 70 percent of the parent company's sales last year.

As Hanbo Steel faced receivership, the central bank was quick to shore up the banking system to try to prevent a surge in interest rates that would damage other companies.

"We are providing the money to prevent a chain reaction that could bankrupt subcontractors," said Park Chul, a general manager of the finance department at the Bank of Korea. The bank entered into repurchase agreements with commercial banks valued at 1 trillion won, he said. *(Bloomberg, Reuters)*

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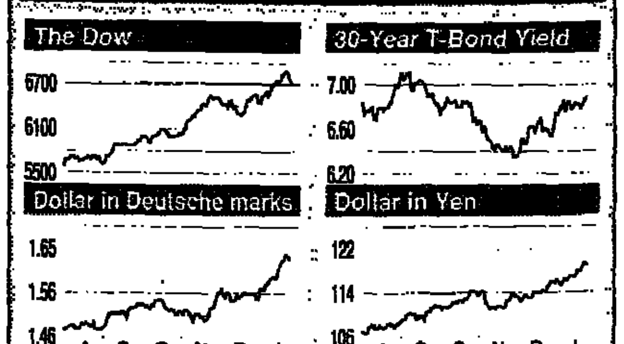
THE AMERICAS

Investor's America



Exchange	Index	Friday Close	Prev. Close	% Change
NYSE	The Dow	6696.48	6755.65	-0.87
NYSE	S&P 500	770.52	777.56	-0.91
NYSE	S&P 100	754.68	762.21	-0.99
NYSE	Composite	405.51	409.15	-0.89
U.S.	Nasdaq Composite	1363.83	1378.37	-1.05
AMEX	Market Value	588.16	589.69	-0.26
Toronto	TSE Index	6033.58	6040.50	-0.11
São Paulo	Bovespa	77618.90	78906.80	-1.63
Mexico City	Bolsa	3680.56	3694.65	-0.38
Buenos Aires	Merval	661.95	677.29	-2.26
Santiago	IPSA General	5185.57	5240.57	-1.05
Caracas	Capital General	6249.69	6295.02	-0.72

Source: Bloomberg, Reuters — International Herald Tribune

U.S. Backs Export Groups

By David E. Sanger
New York Times Service

WASHINGTON — President Bill Clinton's administration has decided that the three government agencies that play a major role in financing American exports should not be merged, concluding that while the current system is fragmented and awkward, the political costs of a reorganization would be too high.

The decision was made at a White House meeting Thursday of the National Economic Council, which coordinates major economic decisions for Mr. Clinton much as the National Security Council reviews foreign-policy decisions.

While the decision before the council was a narrow one, it signaled that the administration was in no hurry to heed calls from business leaders and a number of current and former government officials that the system of programs to promote and finance exports needed a major overhaul.

The Office of Management and Budget has recommended merging the Export-Import Bank of the United States, which provides low-cost financing for American exporters, with the Overseas Private Investment Corp., which provides political-risk insurance to companies trading or investing overseas, and the Trade and Development Agency, which develops feasibility studies of overseas markets for exports and investment in emerging markets. All three need to be reauthorized by Congress this year.

In private, even many of the advocates of those programs concede that they are badly organized, largely because they were created one at a time by Congress, often with intersecting or conflicting charters. For example, the investment corporation is barred from operating in China, under legislation passed after the suppression of protesters in Tiananmen Square in 1989, but the other agencies are free to operate there.

"If we were starting from scratch, we certainly wouldn't organize it this way," one official involved in the debate said after Thursday's meeting.

"But the energy and time that would be consumed by reorganizing was judged not to be worth the benefits." The reauthorization seems almost certain to reopen a long-simmering argument between the administration and the Republican majority in Congress over whether these agencies sustain jobs in the United States — as the administration argues — or whether they are a form of "corporate welfare."

Next week, a coalition of forces led by Representative John Kasich, Republican of Ohio, who heads the House Budget Committee, plans to release a list of government programs for industry and other items that it wants to eliminate or cut back. That list seems likely to include subsidies provided by the Agriculture Department to help food exporters, the Rural Utility Service and the U.S. contribution to the International Monetary Fund.

Almost every one of the nations with which the United States competes — including the 15 European Union countries as well as Japan — helps exporters by offering financing or insurance.

Advocates of these programs therefore say that eliminating them would give America's competitors a major advantage.

MARKETS: *Rate Fears Spark Drop*

Continued from Page 9

reports released so far being generally at or above expectations, Mr. Rice added, there is no fundamental reason for a major decline in stock prices.

Edward Collins, head of stock trading at Daiwa Securities America, said the slide in stocks that began Thursday had resulted from a confluence of news developments, and he said it did not necessarily signal the start of a major fall. He said it was time for the market to consolidate after its recent gains, and while the Dow could fall by several hundred points, he did not expect a 20 percent correction.

Mr. Collins urged investors with long-term outlooks to keep buying shares, although both he and Mr. Rice said the current market was not one in which individuals ought to engage in short-term trading.

PepsiCo was the most active New York Stock Exchange issue Friday, slipping 1⅜ to 33⅞. The company said it would spin off its restaurant division to concentrate on its soft-drinks and snacks businesses.

Computer-networking issues dominated Nasdaq trading, led by Cascade Communications, whose stock plunged 23⅛ to 41 after it gave analysts a gloomy outlook for sales of its products.

Cascade released better-than-expected earnings late Thursday but then told analysts that the growth outlook was weak for its frame-relay switching products, which help manage information flowing across computer networks,

U.S. STOCKS

Bloomberg News quoted John Force, a money manager at Pilgrim Baxter & Associates, as saying.

On Friday, Cascade's chief financial officer said investors were overreacting to the frame-relay problem, but he acknowledged that the company's recent price/earnings ratio of 80 was "unreasonably high," Bloomberg reported.

XL Connect Solutions fell 14⅞ to 8¾ after the company issued a profit warning. XL helps companies form communications networks. Intelligent Electronics, which owns 80 percent of XL, suffered a similar loss.

Cisco Systems, which also makes networking products, fell 3⅛ to 68⅝, and 3Com, another company in the field, fell 4¾ to 68¾.

General Motors was among the 10 Dow stocks that gained, rising ⅝ to 62½ on expectations the automaker would raise its quarterly dividend Monday by 50 percent, or 20 cents a share, and approve a stock buy-back program.

Very briefly:

Mexico to Buy 2 Banks' Bad Loans

MEXICO CITY (Bloomberg) — Banco Nacional de Mexico SA and Bancomer SA will sell 16 billion pesos ($2.06 billion) of bad loans to the government this year as Mexico continues to bail out its banking industry.

Bank stocks declined Friday on concern that the earnings of the two commercial banks, the country's largest, would suffer.

Defaults on consumer and business loans jumped when borrowing rates tripled after the Mexico abruptly devalued the peso in December 1994. The government's Bank Savings Protection Fund spent $12 billion bailing out banks last year.

- **Monsanto Co.**'s net profit fell 48 percent in the fourth quarter, to $385 million, as it took a $500 million charge to cover the cost of divesting itself of its chemical businesses and eliminating as many as 2,500 jobs.
- **Giancarlo Parretti**, the fugitive former owner of **Metro-Goldwyn-Mayer Inc.**, has been given two weeks to show up in court or face extradition to Delaware and loss of bail.
- **America Online Inc.** was notified by the New York attorney general that if negotiations between the company and 20 states over compensation for delays in on-line service break down, New York will sue it for deceptive business practices.
- **Publix Super Markets** agreed to pay $81.5 million to settle a class-action sexual-discrimination lawsuit accusing the company of keeping women in dead-end, low-wage jobs.
- **Eastman Kodak Co.** will stop producing film for its disk cameras by the end of 1998 because of poor sales and new technology that makes disk photography obsolete.
- **CSX Corp.** said it would consider sharing access to key rail routes in the U.S. Northeast with its rival, **Norfolk Southern Corp.**, to win federal approval of its bid for **Conrail Inc.**
- **First Media Television LP** has sold four television stations to Meredith Corp. for $435 million in cash and debt.
- **Fiat Argentine SA** closed its month-old $600 million plant in Cordoba at least until Monday after striking workers smashed windows and damaged machinery. *Bloomberg, AP*

JAPAN: *Buffeted by Markets, Nation Looks Toward the 'Japanese Century' With Pessimism*

Continued from Page 1

market drop because it may jolt the nation into taking the extreme steps they say are necessary to bring about far-reaching change. The market's incremental declines, they argue, have brought about only incremental change.

"I would like to see it go to 13,000 or so, for that would cause a shock wave," said Masao Miyamoto, author of a best-selling book critical of Japan's bureaucracy and society. "Japan has to go through some devastating experience before people will say, 'We have to start doing something.'"

For now, the recent wild fluctuations in the markets reflect more immediate concerns, such as an anemic economic outlook, tightened government spending and a financial system plagued by bad bank debt and a real-estate crash.

But the market jitters also expose a deeper uneasiness about Japan's future and its global economic role as it moves into the next century.

The current pessimism shows what a difference a few years can make. When the Japanese stock market was at its peak, in 1989, many experts predicted that Japan would capture the global economic and industrial leadership from America. Japanese companies bought up chunks of Hollywood and New York real estate, they talked about their nation's gross national product surpassing America's in the next century, and some people here felt so rich that they sprinkled gold on their food.

Americans and Japanese alike came to believe that Japanese corporations were simply more efficient than American ones, that Japanese products were more durable and that the next century belonged to the industrialists who had created the portable stereo or the virtually flawless car.

Now it is Americans who are seeing their stock market soar and believing that their economy is blessed.

"Asian countries are now seeking their models in the United States, not Japan," said Heizo Takenaka, an economist at Keio University. "Japan was an important model for economic development, but from now on, Japan is no longer a model."

Japan's economy is the second-largest in the world, partly powered by world-class competitors such as Toyota, Canon Inc. and Matsushita Electric Industrial Co. But about four-fifths of the economy, including the financial industry, is hindered by heavy regulation, cartel-like behavior or a herd mentality.

Trucking companies, for instance, agree to charge almost identical rates; wholesale prices for rice, wheat and barley are controlled by the government; the three largest daily newspapers charge the same price, and a fourth has just joined the price club this year.

What changes have taken place have been slow in coming. In a country dominated by small shops and high prices, large retailers and discounters are growing, and more companies bucked the trend and opened for service during the New Year holidays.

But critics say the pace of change is neither fast nor substantial. Prime Minister Ryutaro Hashimoto, for example, has talked about transforming Japan's economy, but the government's latest budget proposals offered little encouragement to financial markets.

While bureaucrats reined in spending, Japan's transportation lobbyists ended up with a $10 billion bullet-train extension.

Farmers won $85 million in subsidies to plant less rice, and $2.6 billion meant for economic restructuring is going to farmers, construction workers and the oil industry.

Moreover, the status quo still has its attractions: At 3.3 percent, unemployment is extremely low by the standards of the rest of the world; salaries are still closely tied to seniority; small store owners benefit from regulatory support; inflation is virtually zero, though it threatens to rise; and there is a buying boom as people try to make large purchases before the national sales tax rises to 5 percent in April from 3 percent now.

There is a widespread and tacit resistance to change, and not only from bureaucrats who stand to lose regulatory influence. The prime minister's grand plans to impose greater competition will produce winners and losers, even bankruptcies and probably greater unemployment.

"As a general argument, the businessman says, yes, this is the trend, and deregulation is necessary," said Masao Ogura, the former chairman of Yamato Transport who has battled regulatory barriers.

"But once you go into specific industries, if the question comes down to my company, they say, 'We don't want it.'"

■ Sale Reports Depress Dollar

Reports that the Bank of Japan was selling dollars for yen sent the dollar lower, Bloomberg News reported from New York.

The slide began after NHK television said the Bank of Japan had bought yen for dollars for the first time in more than four years to try to slow the yen's tumble. The bank declined to comment.

The Bank of Japan, following its usual practice, also declined to comment on the report.

A second day of weakness on Wall Street also undermined the dollar, as reduced demand for U.S. assets would mean less demand for the dollars needed to buy them.

The dollar fell to 118.90 yen from 119.35 yen Thursday, to 5.4965 French francs from 5.5075 francs, to 1.6296 Deutsche marks from 1.6324 DM and to 1.4060 Swiss francs from 1.4160 francs. But the pound fell to $1.6290 from $1.6314.

AMEX

Friday's 4 p.m. Close
The top 300 most-active shares, up to the closing on Wall Street.
The Associated Press

Stock	Sales	High	Low	Latest	Chge
AMC	317	16½	16	16¼	—⅛
ARC	468	4	3 15/16	4	
AVIC Gp n	245	3	2⅞	2⅞	—⅛
Acadiana n	147	15⅞	15⅝	15⅞	
AckGrp s	884	12	11⅞	11⅞	—⅛
AdvMed	1054	4 5/16	4½	4 5/16	+1/16
AirWat	279	6⅞	6¾	6¾	
AHoagen	217	15½	15	15¼	
AlldRsh	328	8⅛	8	8⅛	+⅛
Alphaln	279	8¾	8½	8½	—⅛
AltLiving n	128	13⅞	13½	13½	—⅜
Amdhl	1841	11⅝	11¼	11⅜	—⅛
AExpl	141	16	15½	15½	—½
AIM 84	95	3⅝	3¼	3⅝	
AIM 85	95	11⅞	11¼	11¼	—⅜
ASciE	104	14	13⅞	13⅞	—⅛
ATechC	95	8⅞	8½	8⅝	—⅛
Ampex	4942	8 7/16	8	8¼	—⅛
AsdLiving	118	17	16⅝	16⅝	—⅛
Astralc	231	6 11/16	6⅜	6½	—⅛
Audvox	5308	8⅛	7⅞	7⅞	—⅛
AudSurv	130	4⅞	4⅛	4½	—⅛
AurorEl	285	2⅝	2	2	+⅛
Autofote	513	1⅜	1⅛	1⅛	—⅛
Axogen un	85	26⅞	26⅞	26⅞	—⅜
Azco	1421	11⅝	11⅛	11¼	+⅛
BAT Ind	532	16⅝	16¼	16¼	—⅛
Baldw	400	7⅜	7	7	+⅛
Ballnty	279	19	18⅞	18⅞	—⅛
BT dep	107	25⅞	25⅝	25⅞	—⅛
BarrLb s	109	30⅛	30	30⅛	+⅛
BayMea	113	43⅞	42¾	42¾	—⅛
Bayou	410	3⅝	3	3⅛	+⅛
BSNk wt97	348	4⅞	4½	4⅝	—⅛
BemaGold	1633	6	5⅝	5⅞	+⅛
BentPh	183	3⅝	3⅜	3⅜	—⅛
BentPh wt	674	1⅝	1⅜	1½	+⅛
BioRA s	125	32⅛	31⅞	31⅞	—⅛
BiscAsp	725	1⅛	1	1⅛	+⅛
BoltTch n	178	4⅞	4⅝	4⅝	—⅛
Bowmr	154	2⅝	1 15/16	1 15/16	—⅛
Bowne	720	25⅛	24⅞	25	
Brandyw s	167	20⅞	20⅛	20⅛	—⅛
CE Frnk g	119	4 13/16	4⅝	4 13/16	+⅛
CET Envs	109	7⅝	7⅝	7⅝	—⅛
CFX Cp	229	16⅝	16⅛	16⅝	+⅛
CMI	139	8⅜	8	8⅜	+⅛
Cabivsn	691	32	31	31⅞	+⅛
Cablvs pf	140	21⅞	21½	21⅞	+⅛
Calton	116	9/16	½	½	+1/16
Cambior	826	14⅞	14¼	14¼	—⅛
Cambrx s	275	35⅝	35¼	35⅝	+⅛
CanyonRs	707	2⅝	2⅝	2⅝	+⅛
Cardich n	159	2⅞	2⅞	2⅞	—⅛
Caremix n	259	16⅛	15⅝	15⅝	—⅛
CastlAM s	166	19⅝	19¼	19⅝	—⅛
CFCda g	397	4⅝	4¼	4½	
ChadThr	302	15⅛	14⅞	15⅛	+⅛
ecChesBio	98	4⅞	4⅝	4⅞	+⅛
Chief	457	24	23½	23⅞	—⅛
Citizinc	109	8⅜	8⅛	8⅛	—⅛
ColLa	862	14⅞	14½	14⅝	+⅛
Comforce	232	10⅞	10⅝	10⅝	—⅛
CmdrA wt	1252	1⅛	1	1⅛	+⅛
CompTch	92	11⅞	11⅝	11⅝	—⅛
Comptek	83	6	5⅝	5⅞	+⅛
Continucre	97	9	8⅞	9	
Cross	592	11⅜	11⅛	11⅛	—⅛
ecCrwnL	441	1⅛	1	1	—⅛
Cycomgs	446	3⅞	3⅝	3⅝	+⅛
DI Ind	2041	3⅛	3	3⅛	+⅛
DakotaM	818	1⅞	1⅝	1⅝	—⅛
DaniHd	852	9	8⅝	8⅞	+⅛
Datarom	928	1⅛	1	1⅛	+⅛
Datarom	179	9⅝	9½	9½	—⅛
DaytonMin	284	6	5⅝	6	+⅛
DenAmer	358	3⅝	3⅜	3½	+⅛
DevnE	633	35⅞	34⅝	35⅞	+⅛
DiagRet	145	17⅛	17	17⅛	
Donelly	166	22⅞	21½	21⅝	—⅛
DrvlMu	238	9 5/16	9¼	9¼	—1/16
EchoBay	9661	6⅞	6⅝	6¾	—⅛
Edisto	259	9⅝	9⅜	9⅜	
Edltek	421	9¾	½	½	
ElPasoE n	1192	7⅝	7½	7⅝	—⅛
EmerR	1247	1⅛	1	1	—⅛
EmpCar	398	2⅝	2⅜	2⅜	—⅛
EnzoBi	949	18	17⅜	17⅝	+⅛
EssxBc	121	1⅝	1⅝	1⅝	+⅛
FarmTel s	142	3⅞	3⅞	3⅞	
FarmT wt	114	⅛	⅛	⅛	
Fibrbd	153	35⅞	34⅞	34⅞	—⅛
FlAust	581	8⅝	8⅜	8⅜	—⅛
FAusPr	3593	8 15/16	8⅞	8⅞	+⅛
Fliber	157	10⅞	10¾	10¾	—⅛
FstFedA n	1849	14⅛	14	14⅛	
ForstLb	4808	37⅝	34⅞	36⅞	+1⅛
FortPet	124	3	2⅞	2⅞	
FrnkSel	125	5⅞	5⅝	5⅝	
FreqEl	123	12⅞	12⅝	12⅝	—⅛
GA FncI n	115	15⅞	15⅝	15⅝	—⅛
GST Tele	488	10⅝	9⅞	10⅝	+⅛
GayICh	187	6 11/16	6½	6½	+⅛
GeichGld	1036	40	39⅞	40	+⅛
GiantFd	403	34⅞	33⅞	34⅛	—⅛
Giatfl	229	17⅞	17	17⅛	—⅛
GlobSml	210	12⅞	12⅝	12⅝	+⅛
GldBnk	247	3⅛	3	3	
GoVideo	670	1⅞	1⅝	1⅞	+⅛
GldStarR	1611	14⅞	13⅞	13⅞	—⅛
GrieBayC	137	1 11/16	1½	1½	
GreyWndL	1341	4 15/16	4⅞	4⅞	—⅛
GrSmec	183	4⅝	4⅜	4⅜	—⅛
ecHalwmF	100	9/16	½	½	—1/16
HalEP	185	9⅝	9	9⅛	+⅛
Halsey	233	5⅝	5⅛	5⅛	—⅛
HanaGr	122	6⅝	6¼	6⅜	+⅛
HanvDir	518	1	1	1	
Han wtB	1651	1/16	1/32	1/32	—1/32
Harken	5155	3⅝	3⅜	3 7/16	—⅛
Harold	84	13⅛	12⅞	13⅛	+⅛
Hasbro	3717	40⅝	39⅞	39⅞	—⅛
HowAir	110	3⅝	3⅝	3⅝	
Hearx n	2123	2⅝	2½	2½	—⅛
HighInc	147	12⅝	12½	12½	+⅛
HomeVil n	194	19⅝	19½	19½	+⅛
HoopH	197	16	15⅞	16	
HovnEn	163	6⅝	6 7/16	6⅝	—⅛
HungTel	162	11	10⅞	11	+⅛
ICG Com	1587	17⅞	17¼	17⅞	+⅛
Identix	874	10⅜	10	10	—⅛
ImaClnig	204	23⅛	22⅞	23	
ImpHly	192	13⅛	13	13	—⅛
ImpOil g	395	47⅞	47	47⅞	+⅛
IncIMkt	84	12⅝	12⅝	12⅝	
IntegTc n	403	2	1⅞	1⅞	—⅛
IntlSys	173	3⅝	3½	3½	—⅛
InCPd	4523	3 11/16	3½	3 11/16	+⅛
InterDig	1365	7	6⅞	7	+⅛
Intrmagn	216	12⅛	11⅞	11⅞	+⅛
IntThrgh	288	4⅞	4⅝	4⅝	—⅛
IonLaser	154	10⅝	10⅜	10⅜	—⅛
IvaxCp	2918	11⅛	11	11	—⅛
JTS Corp	2122	3⅝	3½	3½	—⅛
JanBell	155	2⅝	2½	2½	
JoneIntl	85	13⅝	13⅝	13⅝	—⅛
KFX Inc	175	5⅛	5	5	—⅛

Stock	Sales	High	Low	Latest	Chge
KV Ph A	394	16¼	15	16	+⅝
Keane s	373	31	29½	30⅝	—⅛
KeyEng	843	15⅛	14⅞	14⅞	+⅛
KaysHer s	83	24⅝	24½	24½	—⅛
KnogNA	90	6	5⅞	5⅞	—⅛
KoorEq	170	18⅝	18⅛	18⅛	
LXRBiot	406	2⅛	2 1/16	2⅛	—1/16
LaBarg	151	7	6⅞	6⅞	+1/16
LazKap	122	18⅛	17⅞	17⅞	—⅛
LehSTC wt	232	9⅛	8⅝	8⅞	—⅛
MAI Sys	107	7⅜	7	7⅜	+⅛
MC Sha	248	4⅞	4 11/16	4⅞	
MSB Bcp	84	19½	19⅜	19½	+⅛
MagnPet	932	5 15/16	5⅝	5¾	—⅛
Maxam	104	51	50⅞	50⅞	—⅛
MeasSpcl	86	3⅝	3½	3½	—⅛
MedcR	304	12⅛	11⅞	12	
Medeva	199	19	18⅞	18⅞	+⅛
Media	847	31⅞	31⅛	31⅜	
MediaLog	373	2 13/16	2 11/16	2¾	—1/16
Medq	218	7	6 11/16	6⅞	—⅛
MercAir	155	7⅝	7⅝	7 11/16	+1/16
Metromda	1594	12⅞	11⅞	12⅛	+⅛
MidAtlRty	256	11	10⅝	10⅞	—⅛
MargnF	220	9⅛	9	9	
MSNk 97wt	1064	2⅛	2	2⅛	—1/16
MSPEQ n	492	74⅞	73⅞	73⅞	—1⅛
MinExE	145	8	7⅞	8	—⅛
MuniMtg n	466	17⅞	17⅝	17⅝	
Munvst	458	9⅞	9	9⅞	
MyersInd	119	16⅛	16	16⅛	—⅛
NTNCom	1142	4⅝	4	4⅝	+⅛
NVR	107	13⅝	13	13	—⅛
Nabors	10032	20⅛	18⅞	18⅞	—1⅛
NtPatnt	1310	8	7⅞	7⅞	—⅛
Netmed n	99	8⅛	7⅞	8⅛	+⅛
NY Times	2148	39⅞	39⅝	39⅞	—⅛
Nordic wt	720	4⅞	4½	4½	+⅛
NA Vacc	666	21⅞	21⅛	21⅞	+⅛
Novavx	577	4⅝	4⅛	4⅛	
OSullivnC	107	10⅝	10⅛	10½	+⅛
OmniMult	395	2⅝	2⅛	2⅛	
Oncor	953	6⅞	6⅝	6⅞	+⅛
Oncormd	348	6⅛	6	6⅛	—⅛
Organon	1167	23⅛	22⅞	23⅛	+⅛
PC Quote	297	2⅞	2⅞	2⅞	—1/16
PGEcap pf	161	24⅝	24⅜	24⅝	
PLC Sys	350	24⅝	24⅛	24⅝	—⅛
PMC	104	14⅛	13⅞	13⅞	—⅛
PMC CT	139	17⅞	17⅜	17⅝	—⅛
PanAmC n	701	8½	8	8⅛	+⅛
PaxsnC	1171	8⅞	8⅝	8⅝	
PegGld	4740	7 11/16	7⅜	7½	
PeopleTel	647	3⅝	3⅜	3⅜	
PerinC	209	8⅛	8⅛	8⅛	—⅛
PhxNet	284	3⅞	3⅝	3⅞	—⅛
Phonetel	291	3⅝	3⅝	3⅝	
PiedmBc s	180	10	9⅝	10	+⅛
PinRsc	171	17	16⅝	16⅞	+⅛
Polymed	1351	6⅛	5⅞	5 15/16	+1/16
Polyph	366	4⅝	4⅛	4⅛	
PrpdLg	742	16⅞	16⅝	16⅝	—⅛
Prmlfl s	234	10⅛	9⅞	10	
ProActiv n	197	1⅝	1½	1½	
PropCT	653	8⅞	8⅜	8⅞	+⅛
PsycCp	436	7 13/16	7½	7½	—⅛
QC Opt n	190	5⅞	5⅝	5⅞	
RF Pow	228	2⅝	2⅜	2⅜	+⅛
RaeGold	1250	1	1	1	+1/16
RegalBel	358	18⅛	18⅛	18⅛	—⅛
RoyalO g	2716	3⅞	3⅝	3⅞	+⅛
SabaPet s	902	23⅞	22⅞	23⅞	+⅛
SBYen wt98	300	7⅞	7⅞	7⅞	+⅛
SFeGam	159	1⅛	1	1⅛	—1/16
Schuff	126	22⅞	21⅞	21⅞	—1⅛
ShefldMd	384	3⅝	3½	3½	+⅛
SaniTech	166	7⅝	7	7⅝	+⅛
SmBin	174	7 11/16	7	7	—⅛
SmBrnA	116	14	13⅞	14	
Softnet	195	6	5⅞	6	+⅛
SCEd pfB	919	15 13/16	15⅝	15¾	
SpatialT n	128	4⅛	3⅞	3⅞	—⅛
SportsCib	137	3⅝	3⅜	3⅜	
SPDR	20380	77 27/32	76 21/32	76 21/32	—1 1/16
SP Mid	227	51 13/16	50 13/16	50 13/16	—1/16
StarrCo	116	10⅛	10	10	
StevinA	311	1⅛	1	1⅛	+⅛
StyOmp	84	14⅞	14⅝	14⅞	+⅛
SubstAbus	505	1 15/16	1⅞	1⅞	—1/16
Sulcus	124	2	1⅞	1⅞	+1/16
SuretyC	204	4⅝	4⅝	4⅝	
SwingNSl	123	8	7⅞	7⅞	
Techn	84	15⅛	15	15	
TejnR	93	14⅛	14	14⅛	
TelDta	854	35⅞	35	35⅛	+⅛
TexBiotch	558	4⅞	4⅝	4⅝	—⅛
TexMer	419	15⅛	15	15	—⅛
Thermed	189	18⅝	18⅛	18⅛	—⅛
ThCar s	249	28	26⅞	27	
ThmEco s	97	15⅝	15⅛	15⅛	—⅛
ThrInst	247	34⅞	34⅛	34⅛	—⅛
ThrOptk n	151	12	11⅞	12	
ThrmPw	228	8⅞	8⅝	8⅞	
ThrVol s	204	12⅛	11⅞	12	
Thrmotse	1009	15⅞	14⅞	15⅛	+⅛
Thrmotx	246	27⅜	27	27	—⅛
Thrwrwd	124	10⅞	10⅛	10⅛	—⅛
Tipperary	85	4 11/16	4⅝	4 11/16	
TopSrce	495	2⅝	2½	2½	—⅛
Tortel	227	1⅞	1⅝	1⅝	
TotlPet	1180	10	9⅞	10	
TownCty	190	11/16	⅝	⅝	
TWA	3676	6⅞	5⅞	6⅜	+⅛
Trnsmnt n	83	14⅞	14⅞	14⅞	+⅛
TransMed n	398	15⅝	14⅞	15⅛	+⅛
Trimtech	94	5⅞	5⅝	5⅞	
TubMex	4456	18	17⅛	17⅝	—⅛
TurnrC	142	14	13⅞	13⅞	—⅛
USFGP	756	16⅞	16⅝	16⅝	
UTI Eng	132	33⅞	33	33⅞	—⅛
Unapix	218	4⅞	4 11/16	4⅞	+⅛
Uniflex s	81	7⅝	7⅝	7⅝	+⅛
Unilab	9695	1 11/16	1⅝	1⅝	+⅛
Unimar	296	4 11/16	4⅝	4⅝	+⅛
UGrdn	174	2⅛	2	2	—⅛
USBiosci s	3199	15⅞	15	15⅝	—⅛
US Cell	589	26⅝	26⅛	26⅛	+⅛
VICSel5	256	10⅞	10⅝	10⅝	
VKNJV	122	12⅞	12⅝	12⅝	—⅛
Versar	141	3⅝	3⅜	3⅜	
Viacom	985	34⅞	33⅞	34	+⅛
ViacB	14817	35⅞	34⅛	34⅞	+⅛
Viac wtC	119	1⅛	1	1	
Viac wtE	430	2⅝	2⅝	2⅝	
Vican	86	2⅝	2⅝	2⅝	+⅛
VistaG g	653	1⅛	1	1⅛	+1/16
WRIT	254	18⅛	18	18	—⅛
WarscoB s	198	34	33⅞	33⅞	+⅛
WelGrd	184	3⅝	3⅜	3⅜	—⅛
WendtB	140	1⅛	1	1	
WhRET	527	13⅞	13	13⅞	
WhtmE s	125	5⅝	5⅛	5⅛	—⅛
WirelsT s	937	11⅞	11	11⅛	
WEBCan n	129	12 11/16	12⅛	12 11/16	—⅛
WEBFra n	156	14⅞	14⅝	14⅝	—⅛
WEBGer n	166	14⅛	14⅛	14⅛	+⅛
WEB HK n	208	15⅛	15⅛	15⅛	—⅛
WEB Ita n	112	16⅞	16⅝	16⅝	—⅛
WEB Jpn n	466	11⅞	11⅝	11⅝	—⅛
WEB Mal n	305	15⅝	15⅛	15⅛	—⅛
WEB Mex n	767	12 13/16	12⅛	12⅛	—⅛
WEB UK n	1609	15	14⅞	14⅞	—⅛
XCL Ltd	8694	11/16	⅝	⅝	+1/16

U. S. STOCK MARKET DIARY

Indexes

Dow Jones

	Open	High	Low	Last	Chg.
Indus	6750.74	6759.98	6662.33	6696.48	—59.27
Trans	2345.06	2349.37	2325.95	2332.73	—16.03
Util	239.87	240.43	237.42	237.62	—2.80
Comp	2113.14	2115.95	2089.49	2097.40	—18.18

Standard & Poors

	High	Low	Close	Chg.
Industrials	913.58	901.72	904.61	—7.66
Transp.	563.76	558.30	560.11	—3.31
Utilities	204.24	201.93	201.94	—2.30
Finance	86.75	85.43	85.68	—1.07
SP 500	778.21	768.17	770.52	—7.04
SP 100	763.99	753.09	754.68	—7.53

NYSE

	High	Low	Last	Chg.
Composite	409.19	404.42	405.51	—3.64
Industrials	515.41	509.17	510.76	—4.38
Transp.	366.13	362.99	364.37	—1.87
Utility	267.73	264.78	265.09	—2.62
Finance	370.18	365.48	366.40	—3.78

Nasdaq

	High	Low	Last	Chg.
Composite	1379.60	1362.73	1366.65	—11.72
Industrials	1166.39	1152.89	1157.40	—10.96
Banks	1327.17	1322.12	1324.99	—4.14
Insurance	1460.23	1450.27	1450.27	—15.27
Finance	1659.97	1654.41	1655.64	—4.69
Transp.	907.21	895.68	895.77	—17.40

AMEX

	High	Low	Last	Chg.
	590.38	587.38	588.16	—1.53

Dow Jones Bond

	Close	Chg.
20 Bonds	103.31	— 0.04
10 Utilities	100.42	+0.04
10 Industrials	106.21	— 0.11

Most Actives

NYSE

	Vol.	High	Low	Last	Chg.
PepsiCo s	154664	35⅛	33⅝	33⅞	—1⅜
MicrnT	110640	33⅞	31⅞	33⅞	+⅛
IBM	81884	154	149	150⅝	—1⅛
AT&T s	72567	38⅝	37⅝	38⅛	+⅛
GnMotr	59715	63⅝	62⅛	62½	+⅝
CocaCl s	51026	57⅞	56⅝	57	—⅛
HmeDep	49948	50	48⅝	48⅝	—1⅛
Compaq	42530	84⅝	81	81⅛	—2⅝
GenElec	41885	104⅝	101⅞	101⅞	—2⅛
CmpAsc s	36639	44⅞	43⅝	44⅝	+⅛
Digital	36455	37⅛	34⅝	37	+2⅜
Texinst	35294	71⅝	69⅝	69⅝	—2⅛
WalMart	35143	23⅞	22⅝	23⅞	+⅛
Motorola	34822	68⅛	65⅝	66⅛	—1⅝
Lucent n	32867	56⅞	52⅝	52⅝	—3⅝

Nasdaq

	Vol.	High	Low	Last	Chg.
CascCm s	436416	48	40	41	—23⅛
DSC	151881	24⅛	21⅝	23	+2⅞
Intel	147281	154⅛	150⅝	151⅝	—1⅞
Cisco s	134894	71⅝	67⅞	68⅝	—3⅛
Oracle s	117580	40⅝	39⅞	39⅝	—⅛
Micrsft s	111866	97⅞	94⅝	95 15/16	+1⅛
IntelEl	102271	6⅞	3⅞	3⅝	—3⅝
Informx	81258	22⅞	20⅞	21⅞	—1½
3Com	68423	73⅝	68⅛	68¾	—4¾
Ascend	64122	78	71⅝	77⅝	+2
Gate2000	61963	65⅞	61⅝	62	—1⅞
SunMic s	60541	32⅝	31⅞	31⅛	—1⅛
ApldMat	58845	47⅞	44	44⅞	—2⅞
US Robt s	58661	70⅞	67⅛	67⅝	—⅝
DellCpt s	58294	69	66	66⅛	—3

AMEX

	Vol.	High	Low	Last	Chg.
SPDR	20380	77 27/32	76 21/32	76 21/32	—1 1/16
ViacB	14817	35⅞	34⅛	34⅞	+⅛
Nabors	10032	20⅛	18⅞	18⅞	—1⅛
Unilab	9695	1 11/16	1⅝	1⅝	+1/16
EchoBay	9661	6⅞	6⅝	6¾	+⅛
XCL Ltd	8694	11/16	⅝	⅝	+1/16
ForstLb	4808	37⅝	34⅞	36⅞	+1⅛
Audvox	5308	8⅛	7⅞	7⅞	—⅛
Harken	5155	3⅝	3½	3 11/16	—⅛
Ampex	4942	8 7/16	8⅛	8 7/16	—⅛

Trading Activity

NYSE

	Close	Prev.
Advanced	200	257
Declined	340	309
Unchanged	187	193
Total issues	727	759
New Highs	12	42
New Lows	3	8

Nasdaq

	Close	Prev.
Advanced	1614	1972
Declined	2455	2070
Unchanged	1658	1684
Total issues	5727	5726
New Highs	146	293
New Lows	35	50

AMEX

	Close	Prev.
Advanced	833	1139
Declined	1722	1441
Unchanged	768	769
Total issues	3323	3349
New Highs	61	285
New Lows	28	21

Market Sales

	Today Close	Prev. cons.
NYSE	542.74	818.47
Amex	20.90	33.17
Nasdaq	677.86	795.36

In millions.

Dividends

Company	Per	Amt	Rec	Pay
STOCK				
Carrollton Bncp	-	5%	2-21	3-14
Imperial Bncp	-	10%	2-17	2-24
Madison Bncshrs	-	x.075%	2-5	2-20
Washington Fedl	-	10%	2-7	2-21
STOCK SPLIT				
ABR Info 2 for 1 split.				
Assoc Banc 6 for 5 split.				
Integral Syst 3 for 1 split.				
Schult Homes board approves 6 for 5 split.				
Scopus Tech 3 for 2 split.				
Zygo Corp 2 for 1 split.				
INCREASED				
Apartment Inv	Q	.4625	2-7	2-14
EXEL Ltd	Q	.32	2-6	2-20
Fst Colonial Grp	Q	.18	2-7	2-21
Lehman Bros Hold	Q	.06	2-5	2-28
Massbank Corp	Q	.27	2-5	2-20
Milton Fedl	Q	.15	2-3	2-14
Miss Valley	Q	.14	3-15	4-1
Nth Am Savings	Q	.20	2-7	2-28
Polaris Ind	Q	.16	2-6	2-17
Price REIT	Q	.725	3-10	3-31
Provident Bkshrs	Q	.21	1-27	2-7
Roosevelt Fin	Q	.17	2-14	2-28
TR Find	Q	.22	2-14	3-3
Woodhead Ind	Q	.20	2-14	2-28
Xtra Corp	Q	.20	2-14	2-28
INITIAL				
Capitol Svgs Bn n	-	.06	1-31	2-11
Deltic Timber	-	.0625	3-1	3-15
Schult Homes n	-	.05	2-14	2-28
Unisource World	-	.20	2-24	3-10
REGULAR				
Alex & Baldwin	Q	.22	2-14	3-6
Aptar Group	Q	.07	2-5	2-27
Assoc Banc	Q	.29	2-4	2-14
Astoria Fin	Q	.11	2-14	3-3
Avnet Inc	Q	.15	3-14	4-1
BT Find	Q	.32	2-7	3-1
Bk of Boston	Q	.44	2-3	2-28
Bay State Gas	Q	.385	2-14	3-1
Brown For	Q	.27	3-5	4-1
Equitable Iowa	Q	.15	2-14	3-5
FFY Find	Q	.175	1-31	2-13
Fst Washington Rlty	Q	.4875	2-1	2-17
Fst Victoria	Q	.16	1-30	2-13
Intl Ship	Q	.0625	3-7	3-21
Kansas City Sthn	Q	.10	2-21	3-18
Kleinworth Benson	M	.065	2-4	2-17
New England Bus	Q	.20	2-7	2-21
Old Natl Bncp	Q	.23	3-3	3-17
Peerless Mfg	Q	.125	2-7	2-21
SLS Bancorp	Q	.11	2-4	2-18

a-annual; b-approximate amount per share/ADR; g-payable in Canadian funds; m-monthly; q-quarterly; s-semi-annual

Stock Tables Explained

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the years high-low range and dividend are shown for the new stocks only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration. a - dividend also extra (s). b - annual rate of dividend plus stock dividend. c - liquidating dividend. cc - PE exceeds 99.cld - called. d - new yearly low. dd - loss in the last 12 months. e - dividend declared or paid in preceding 12 months. f - annual rate, increased on last declaration. g - dividend in Canadian funds, subject to 15% non-residence tax. i - dividend declared after split-up or stock dividend. j - dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k - dividend declared or paid this year, an accumulative issue with dividends in arrears. m - annual rate, reduced on last declaration. n - new issue in the past 52 weeks. The high-low range begins with the start of trading. nd - next day delivery. p - initial dividend, annual rate unknown. P/E - price-earnings ratio. q - closed-end mutual fund. r - dividend declared or paid in preceding 12 months, plus stock dividend. s - stock split. Dividend begins with date of split. sls - sales. t - dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u - new yearly high. v - trading halted. vi - in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies. wd - when distributed. wi - when issued/ ww - with warrants. x - ex-dividend or ex-rights. xdis - ex-distribution. xw - without warrants. y- ex-dividend and sales in full. yld - yield. z - sales in full.

INTERNATIONAL FUTURES

Jan. 24, 1997

Grains

	High	Low	Close	Chge	OpInt
CORN (CBOT) 5,000 bu minimum- dollars per bushel					
Mar 97	2.73	2.70¼	2.72¾	+0.02½	123,147
May 97	2.71¼	2.68½	2.70¾	+0.02	64,902
Jul 97	2.70½	2.68	2.69¾	+0.01½	62,478
Sep 97	2.67½	2.65¼	2.66½	+0.00¾	8,618
Dec 97	2.68¾	2.66¼	2.67¾	+0.01	42,770
Est. sales N.A. Thu's. sales 37,730					
Thu's open int 307,022 up 411					
SOYBEAN MEAL (CBOT) 100 tons- dollars per ton					
Mar 97	238.30	236.50	238.10	+2.20	39,871
May 97	234.80	232.00	234.70	+2.40	28,747
Jul 97	233.50	231.50	233.40	+2.30	19,186
Aug 97	230.80	229.00	230.60	+1.60	3,194
Sep 97	225.30	223.80	224.60	+1.49	2,749
Oct 97	215.00	214.00	214.20	+0.20	1,039
Est. sales N.A. Thu's. sales 15,174					
Thu's open int 89,096 off 1091					
SOYBEAN OIL (CBOT) 60,000 lbs- dollars per 100 lbs.					
Mar 97	24.28	24.12	24.21	+0.11	46,278
May 97	24.66	24.51	24.58	+0.10	17,954
Jul 97	24.99	24.85	24.96	+0.12	14,576
Aug 97	25.10	25.00	25.07	+0.10	2,773
Sep 97	25.20	25.10	25.14	+0.07	2,675
Oct 97	25.35	25.33	25.35	+0.13	726
Est. sales N.A. Thu's. sales 7,926					
Thu's open int 89,262 up 23					
SOYBEANS (CBOT) 5,000 bu minimum- dollars per bushel					
Mar 97	7.48	7.41	7.47½	+0.06¼	74,464
May 97	7.48¼	7.41½	7.47¾	+0.05½	34,923
Jul 97	7.49	7.43	7.48½	+0.05½	32,255
Aug 97	7.44	7.41	7.43½	+0.04¾	4,849
Sep 97	7.15	7.12½	7.15	+0.04½	1,347
Est. sales N.A. Thu's. sales 43,730					
Thu's open int 163,292 up 714					
WHEAT (CBOT) 5,000 bu minimum- dollars per bushel					
Mar 97	3.79½	3.74½	3.75	—0.00¾	27,497
May 97	3.62	3.57½	3.58		10,498
Jul 97	3.48½	3.44	3.44¼	+0.00½	24,379
Sep 97	3.49	3.46½	3.46½	+0.00¼	1,541
Est. sales N.A. Thu's. sales 14,751					
Thu's open int 65,451 up 926					

Livestock

	High	Low	Close	Chge	OpInt
CATTLE (CMER) 40,000 lbs.- cents per lb.					
Feb 97	65.15	64.60	64.65	—0.25	24,863
Apr 97	66.42	65.80	65.92	—0.25	36,093
Jun 97	63.97	63.57	63.62	—0.05	12,926
Aug 97	63.95	63.52	63.60	—0.15	14,265
Oct 97	66.77	66.37	66.55	—0.12	7,742
Dec 97	68.79	68.40	68.67	+0.20	3,180
Est. sales 14,851 Thu's. sales 14,822					
Thu's open int 100,000 up 665					
FEEDER CATTLE (CMER) 50,000 lbs.- cents per lb.					
Jan 97	70.05	69.40	69.50	—0.67	1,415
Mar 97	69.05	68.45	68.52	—0.68	7,773
Apr 97	69.30	68.70	69.00	—0.45	2,747
May 97	69.98	69.45	69.77	—0.30	3,908
Aug 97	72.92	72.50	72.72	—0.25	3,445
Sep 97	73.20	72.85	72.97	—0.13	741
Est. sales 3,524 Thu's. sales 2,782					
Thu's open int 21,388 up 246					
HOGS-Lean (CMER) 40,000 lbs.- cents per lb.					
Feb 97	77.00	76.17	76.95	+0.53	9,982
Apr 97	76.47	76.00	76.17	—0.03	11,237
Jun 97	80.60	80.20	80.50	+0.15	7,383
Jul 97	78.35	77.85	78.35	+0.45	1,388
Aug 97	74.50	74.05	74.50		1,397
Oct 97	67.55	67.25	67.40	—0.15	1,302
Est. sales 6,919 Thu's. sales 10,421					
Thu's open int 34,018 up 141					
PORK BELLIES (CMER) 40,000 lbs.- cents per lb.					
Feb 97	81.40	78.55	81.10	+2.58	3,916
Mar 97	81.20	78.60	81.10	+2.63	1,269
May 97	81.00	79.30	80.87	+1.50	1,959
Jul 97	80.00	78.80	80.00	+0.70	478
Aug 97	77.40	76.50	76.50	+0.08	423
Est. sales 2,800 Thu's. sales 3,932					
Thu's open int 8,045 up 21					

Food

	High	Low	Close	Chge	OpInt
COCOA (NCSE) 10 metric tons- $ per ton					
Mar 97	1313	1265	1308	+48	26,768
May 97	1345	1300	1339	+44	22,579
Jul 97	1372	1330	1366	+41	13,102
Sep 97	1395	1357	1393	+43	8,889
Dec 97	1507	1507	1507	+47	407
Est. sales N.A. Thu's. sales 14,923					
Thu's open int 92,527 up 1474					
COFFEE C (NCSE) 37,500 lbs.- cents per lb.					
Mar 97	142.60	136.50	136.90	—3.15	23,805
May 97	136.45	131.00	131.30	—3.75	9,632
Jul 97	133.00	127.50	127.65	—4.10	4,269
Sep 97	128.70	123.50	123.50	—4.20	2,686
Est. sales N.A. Thu's. sales 15,776					
Thu's open int 42,738 up 1194					
SUGAR-WORLD 11 (NCSE) 112,000 lbs.- cents per lb.					
Mar 97	10.32	10.20	10.24	+0.09	72,262
May 97	10.38	10.27	10.31	+0.06	34,311
Jul 97	10.37	10.25	10.29	+0.03	27,107
Oct 97	10.40	10.30	10.33	+0.01	17,241
Est. sales N.A. Thu's. sales 31,689					
Thu's open int 159,044 up 2538					

	High	Low	Close	Chge	OpInt
ORANGE JUICE (NCTN) 15,000 lbs.- cents per lb.					
Mar 97	84.10	82.60	83.50	—0.40	20,488
May 97	87.10	85.70	86.40	—0.60	6,497
Jul 97	90.25	88.75	89.30	—0.70	1,981
Sep 97	92.40	92.00	92.10	—0.80	1,464
Est. sales N.A. Thu's. sales 4,700					
Thu's open int					

Metals

	High	Low	Close	Chge	OpInt
GOLD (NCMX) 100 troy oz.- dollars per troy oz.					
Jan 97			353.10	+1.00	5
Feb 97	355.30	352.80	353.40	+0.90	65,510
Mar 97			354.20	+0.90	68
Apr 97	357.00	354.50	355.10	+0.90	49,237
Jun 97	359.20	357.00	357.40	+1.00	21,795
Aug 97	361.80	360.00	359.80	+1.10	8,186
Oct 97	363.30	362.60	362.30	+1.20	3,032
Dec 97	366.20	364.40	364.90	+1.30	16,082
Est. sales N.A. Thu's. sales 74,230					
Thu's open int 200,720 off 1163					
HI GRADE COPPER (NCMX) 25,000 lbs.- cents per lb.					
Jan 97	111.20	109.30	111.00	—0.30	2,917
Feb 97	108.00	106.90	108.15	—0.45	2,936
Mar 97	107.30	105.20	106.65	—0.45	24,951
Apr 97	104.40	104.00	104.25	—0.35	1,121
May 97	103.40	101.70	103.05	—0.30	6,390
Jun 97	102.00	102.00	102.00	—0.25	757
Jul 97	101.20	99.80	101.00	+0.05	3,991
Aug 97			100.10	+0.15	577
Sep 97	99.80	98.40	99.30	+0.20	2,586
Est. sales N.A. Thu's. sales 6,338					
Thu's open int 54,982 up 197					
SILVER (NCMX) 5,000 troy oz.- cents per troy oz.					
Jan 97	491.5	491.5	495.6	+10.4	22
Feb 97			495.8	+10.2	7
Mar 97	500.0	485.5	497.7	+10.2	62,272
May 97	505.0	495.5	502.5	+10.3	11,149
Jul 97	510.0	492.0	507.1	+10.3	8,892
Sep 97	515.0	504.0	512.0	+10.4	3,045
Dec 97	521.0	512.5	519.4	+10.4	4,648
Jan 98			522.3	+10.6	9
Est. sales N.A. Thu's. sales 32,930					
Thu's open int 93,266 up 459					
PLATINUM (NMER) 50 troy oz.- dollars per troy oz.					
Jan 97			358.60	+2.10	11
Apr 97	362.90	361.00	362.40	+2.10	19,581
Jul 97	364.50	364.50	364.90	+2.10	3,214
Oct 97	367.50	366.00	367.10	+2.10	2,313
Jan 98			369.50	+2.10	1,077
Est. sales N.A. Thu's. sales 4,538					
Thu's open int 26,330					

	Close		Previous	
LONDON METALS (LME) Dollars per metric ton				
Aluminum (High Grade)				
Spot	1614.00	1615.00	1612½	1613½
Forward	1635.00	1636.00	1638.00	1639.00
Copper Cathodes (High Grade)				
Spot	2535.00	2540.00	2564.00	2569.00
Forward	2252.00	2253.00	2278.00	2279.00
Lead				
Spot	689.00	690.00	707.00	708.00
Forward	698.00	699.00	717.00	718.00
Nickel				
Spot	7225.00	7235.00	7255.00	7260.00
Forward	7320.00	7330.00	7355.00	7356.00
Tin				
Spot	5970.00	5980.00	5995.00	6005.00
Forward	6020.00	6025.00	6045.00	6050.00
Zinc (Special High Grade)				
Spot	1113½	1114½	1132.00	1133.00
Forward	1133.00	1134.00	1152½	1153.00

Financial

	High	Low	Close	Chge	OpInt
US T. BILLS (CMER) $1 million- pts of 100 pct.					
Mar 97	94.92	94.91	94.91	—0.01	4,676
Jun 97	94.74	94.72	94.74	—0.01	3,230
Sep 97	94.53	94.50	94.53	—0.01	549
Est. sales N.A. Thu's. sales 277					
Thu's open int 8,455 up 37					
5 YR. TREASURY (CBOT) $100,000 prin- pts & 32nds of 100 pct					
Mar 97	106-01	105-24	105-29	— 055	172,819
Jun 97	105-235	105-16	105-20	— 055	8,637
Sep 97			105-13	— 055	
Est. sales N.A. Thu's. sales 28,503					
Thu's open int 181,456 up 2355					
10 YR. TREASURY (CBOT) $100,000 prin- pts & 32nds of 100 pct					
Mar 97	108-07	107-23	107-31	— 10	322,344
Jun 97	107-19	107-05	107-13	— 10	18,631
Sep 97			106-29	— 10	663
Est. sales N.A. Thu's. sales 67,928					
Thu's open int 342,538 up 204709					
US TREASURY BONDS (CBOT) (8 pct-$100,000-pts & 32nds of 100 pct)					
Mar 97	110-24	109-27	110-08	— 19	464,984
Jun 97	110-04	109-11	109-23	— 20	27,965
Sep 97	109-21	109-01	109-10	— 20	5,625
Dec 97			108-28	— 20	4,432
Est. sales N.A. Thu's. sales 287,603					
Thu's open int 502,984 off 3529					
GERMAN GOVERNMENT BUND (LIFFE) DM250,000 - pts of 100 pct					
Mar 97	101.50	101.10	101.14	— 0.46	222,792
Jun 97	100.57	100.20	100.22	— 0.48	6,572
Est. sales: 181,782. Prev. sales: 198,506					
Prev. open int.: 229,365 off 375					
LONG GILT (LIFFE) £50,000 - pts & 32nds of 100 pct					
Mar 97	111-04	110-15	110-18	— 0-24	145,992
Jun 97	110-00	110-00	110-01	— 0-24	482
Est. sales: 62,495. Prev. sales: 64,852					
Prev. open int.: 146,444 off 4,539					
10-YEAR FRENCH GOV. BONDS (MATIF) FF500,000 - pts of 100 pct					
Mar 97	130.54	130.28	130.32	— 0.46	125,543
Jun 97	129.18	128.96	128.96	— 0.46	14,498
Sep 97	127.48	127.42	127.28	— 0.44	787
Dec 97	N.T.	N.T.	96.64	— 0.44	0
Est. volume: 136,330. Open int.: 140,828 up 3,683.					
ITALIAN GOVERNMENT BOND (LIFFE) ITL 200 million - pts of 100 pct					
Mar 97	131.85	131.34	131.45	— 0.55	112,189
Jun 97	131.30	130.95	130.94	— 0.59	7,795
Sep 97	131.00	131.00	130.93	— 0.57	10
Est. sales: 62,932. Prev. sales: 79,281					
Prev. open int.: 119,994 up 5,713					
EURODOLLARS (CMER) $1 million-pts of 100 pct.					
Feb 97	94.420	94.400	94.410	—10	14,212
Mar 97	94.380	94.360	94.370	—10	391,527
Apr 97	94.330	94.290	94.310		2,274
Jun 97	94.190	94.140	94.180	—10	365,863
Mar 00	93.190	93.120	93.150	—60	38,637
Jun 00	93.120	93.060	93.090	—60	35,739
Sep 00	93.070	92.910	93.040	—60	38,789
Dec 00	92.980	92.930	92.960	—60	34,532
Est. sales N.A. Thu's. sales 275,320					
Thu's open int 2,213,756 up 12167					
BRITISH POUND (CMER) 62,500 pounds, $ per pound					
Mar 97	1.6350	1.6234	1.6262	—8	33,461
Jun 97	1.6280	1.6218	1.6236	—8	2,368
Sep 97			1.6206	—8	1,038
Dec 97			1.6176	—8	7
Est. sales N.A. Thu's. sales 18,299					
Thu's open int 37,074 off 911					
CANADIAN DOLLAR (CMER) 100,000 dollars, $ per Cdn. dlr					
Mar 97	.7470	.7433	.7438	—32	40,787
Jun 97	.7505	.7475	.7482	—33	8,117
Sep 97	.7530	.7515	.7521	—33	3,457
Dec 97	.7566	.7550	.7558	—33	444
Est. sales N.A. Thu's. sales 9,279					
Thu's open int 51,842 off 182					
GERMAN MARK (CMER) 125,000 marks, $ per mark					
Mar 97	.6180	.6120	.6156	+35	82,028
Jun 97	.6213	.6188	.6194	+35	5,062
Sep 97	.6247	.6236	.6236	+35	2,185
Dec 97			.6279	+35	18
Est. sales N.A. Thu's. sales 37,959					
Thu's open int 89,293 up 125					
JAPANESE YEN (CMER) 12.5 million yen, $ per 100 yen					
Mar 97	.008512	.008386	.008465	+49	73,374
Jun 97	.008600	.008552	.008576	+50	2,589
Sep 97	.008712	.008685	.008690	+51	459
Est. sales N.A. Thu's. sales 28,833					
Thu's open int 76,533 off 1009					
SWISS FRANC (CMER) 125,000 francs, $ per franc					
Mar 97	.7166	.7070	.7140	+74	48,738
Jun 97	.7235	.7175	.7207	+76	2,472
Sep 97	.7304	.7268	.7277	+78	1,088
Est. sales N.A. Thu's. sales 27,143					
Thu's open int 52,119 up 470					
3-MONTH EUROMARK (LIFFE) DM1 million - pts of 100 pct					
Feb 97	96.90	96.88	96.88	— 0.03	3,749
Mar 97	96.92	96.88	96.88	— 0.03	216,394
Apr 97	N.T.	N.T.	96.88	— 0.03	1,834
Jun 97	96.91	96.85	96.85	— 0.06	184,584
Sep 97	96.81	96.73	96.73	— 0.07	156,601
Dec 97	96.62	96.55	96.55	— 0.07	153,079
Mar 98	96.43	96.36	96.37	— 0.06	107,743
Jun 98	96.21	96.14	96.15	— 0.06	67,396
Sep 98	95.94	95.88	95.89	— 0.06	75,549
Dec 98	95.65	95.59	95.60	— 0.05	63,138
Mar 99	95.39	95.32	95.34	— 0.05	41,769
Jun 99	95.13	95.06	95.08	— 0.05	23,186
Sep 99	94.87	94.80	94.82	— 0.05	18,393
Dec 99	94.59	94.54	94.56	— 0.05	9,864
Mar 00	94.29	94.29	94.31	— 0.05	516
Jun 00	N.T.	N.T.	94.06	— 0.05	111
Sep 00	N.T.	N.T.	93.83	— 0.05	50
Dec 00	N.T.	N.T.	93.59	— 0.05	100
Est. sales: 229,146. Prev. sales: 189,154					
Prev. open int.: 1,144,056 up 11,297					
3-MONTH STERLING (LIFFE) £500,000 - pts of 100 pct					
Mar 97	93.65	93.61	93.62	— 0.03	103,006
Jun 97	93.41	93.34	93.34	— 0.07	95,893
Sep 97	93.17	93.11	93.12	— 0.06	65,991
Dec 97	92.99	92.93	92.93	— 0.08	52,345
Mar 98	92.87	92.79	92.79	— 0.09	36,534
Jun 98	92.77	92.69	92.69	— 0.11	28,918
Sep 98	92.70	92.62	92.62	— 0.11	20,784
Dec 98	92.63	92.54	92.54	— 0.11	16,474
Mar 99	92.57	92.50	92.47	— 0.12	8,207
Jun 99	92.52	92.44	92.41	— 0.13	4,969
Sep 99	92.47	92.38	92.29	— 0.10	4,189
Dec 99	92.44	92.37	92.36	— 0.10	2,387
Est. sales: 66,893. Prev. sales: 54,399					
Prev. open int.: 443,697 up 5,195					
3-MONTH PIBOR (MATIF) FF5 million - pts of 100 pct					
Mar 97	96.76	96.72	96.73	— 0.03	76,906
Jun 97	96.77	96.73	96.75	— 0.04	49,704
Sep 97	96.75	96.69	96.72	— 0.03	34,949
Dec 97	96.65	96.60	96.63	— 0.03	24,806
Mar 98	96.51	96.47	96.51	— 0.03	17,021
Jun 98	96.34	96.29	96.33	— 0.04	14,899
Sep 98	96.13	96.09	96.11	— 0.05	11,134
Dec 98	95.85	95.83	95.84	— 0.04	10,955
Mar 99	95.57	95.55	95.56	— 0.04	12,440
Jun 99	95.32	95.29	95.29	— 0.06	5,686
Sep 99	95.04	95.03	95.03	— 0.07	2,699
Dec 99	94.78	94.78	94.78	— 0.05	1,241
Est. volume: 61,539. Open int.: 262,440 up 1,928.					
3-MONTH EUROLIRA (LIFFE) ITL 1 million - pts of 100 pct					
Mar 97	93.35	93.25	93.28	— 0.01	94,447
Jun 97	93.96	93.81	93.86	— 0.02	64,894
Sep 97	94.25	94.17	94.19	— 0.05	42,640
Dec 97	94.41	94.32	94.35	— 0.05	29,484
Mar 98	94.45	94.37	94.40	— 0.06	14,508
Jun 98	94.43	94.35	94.36	— 0.08	7,308
Est. sales: 56,941. Prev. sales: 58,946					
Prev. open int.: 253,871 off 157					

Industrials

	High	Low	Close	Chge	OpInt
COTTON 2 (NCTN) 50,000 lbs.- cents per lb.					
Mar 97	75.25	74.35	74.69	—0.05	22,411
May 97	76.44	75.80	76.00	—0.08	17,445
Jul 97	77.25	76.75	77.05	—0.05	8,835
Oct 97	77.30	76.90	77.05	—0.10	1,558
Dec 97	77.30	76.90	76.98	—0.14	11,203
Mar 98	78.10	78.00	77.85	—0.20	711
Est. sales N.A. Thu's. sales 14,809					
Thu's open int 61,781 off 889					
HEATING OIL (NMER) 42,000 gal - cents per gal					
Feb 97	67.00	65.90	66.70	+0.35	31,258
Mar 97	66.10	65.15	65.60	+0.08	26,868
Apr 97	63.70	62.50	63.25	—0.12	11,583
May 97	61.50	60.80	61.00	—0.12	4,154
Jun 97	59.55	59.05	59.30	—0.12	5,916
Jul 97	58.75	58.50	58.50	—0.17	3,493
Aug 97	58.80	58.80	58.80	—0.07	3,080
Dec 97	60.50	60.25	60.40	+0.12	4,416
Jan 98	60.37	60.37	60.37		2,891
Feb 98	59.47		59.47		902
Est. sales N.A. Thu's. sales 34,919					
Thu's open int 104,370 up 75					
LIGHT SWEET CRUDE (NMER) 1,000 bbl.- dollars per bbl.					
Mar 97	24.40	24.03	24.05	—0.13	84,973
Apr 97	23.82	23.51	23.53	—0.14	38,784
May 97	23.31	23.03	23.05	—0.14	22,162
Jun 97	22.83	22.59	22.59	—0.13	31,935
Jul 97	22.32	22.25	22.19	—0.13	15,339
Aug 97	22.03	21.92	21.83	—0.13	14,002
Sep 97	21.58	21.58	21.50	—0.12	15,880
Oct 97	21.40	21.30	21.18	—0.12	10,463
Nov 97	21.10	21.00	20.87	—0.12	7,706
Dec 97	20.86	20.75	20.60	—0.12	25,530
Jan 98	20.57	20.52	20.37	—0.13	11,789
Feb 98			20.19	—0.13	7,211
Dec 00			19.18	—0.11	1,315
Est. sales N.A. Thu's. sales 87,597					
Thu's open int 350,283 up 4382					
NATURAL GAS (NMER) 10,000 mm btu's, $ per mm btu					
Feb 97	2.850	2.655	2.800	+6	22,065
Mar 97	2.570	2.460	2.550	+17	27,289
Apr 97	2.290	2.220	2.265	+8	15,987
May 97	2.140	2.070	2.120	+20	11,996
Jun 97	2.115	2.070	2.105	+15	8,527
Jul 97	2.715	2.080	2.710	+15	6,484
Aug 97	2.120	2.080	2.115	+15	7,734
Sep 97	2.125	2.080	2.120	+15	6,544
Oct 97	2.130	2.095	2.125	+15	7,933
Nov 97	2.220	2.190	2.220	+15	4,488
Dec 97	2.340	2.300	2.340	+28	7,583
Est. sales N.A. Thu's. sales 52,885					
Thu's open int 164,348					
UNLEADED GASOLINE (NMER) 42,000 gal - cents per gal					
Feb 97	68.80	67.25	67.48	—0.82	19,885
Mar 97	68.80	67.55	67.75	—0.71	23,384
Apr 97	70.00	68.95	69.10	—0.70	11,935
May 97	69.45	68.50	68.75	—0.53	7,740
Jun 97	68.30	67.40	67.40	—0.53	5,122
Jul 97	66.25	65.70	66.00	—0.08	2,801
Est. sales N.A. Thu's. sales 26,613					
Thu's open int 73,361 up 434					
GASOIL (IPE) U.S. dollars per metric ton - lots of 100 tons					
Feb 97	205.50	199.50	200.00	—8.00	23,876
Mar 97	200.50	197.25	197.50	—6.50	13,409
Apr 97	194.75	192.25	197.75	—5.50	8,413
May 97	189.50	188.00	186.75	—5.25	3,373
Jun 97	186.00	184.50	184.75	—3.25	7,561
Jul 97	185.00	184.50	184.25	—3.25	2,664
Aug 97	184.75	184.25	184.00	—3.25	1,115
Sep 97	184.50	184.00	183.75	—3.25	961
Oct 97	184.25	184.00	183.75	—3.25	1,021
Nov 97	184.50	184.50	183.25	—3.25	503
Dec 97	184.25	184.00	183.00	—3.25	3,075
Est. sales: 15,000. Open int.: 66,459 off 225					
BRENT OIL (IPE) U.S. dollars per barrel - lots of 1,000 barrels					
Mar 97	22.58	22.25	22.26	—0.16	64,128
Apr 97	22.10	21.85	21.86	—0.14	27,893
May 97	21.66	21.46	21.46	—0.09	15,413
June 97	21.28	21.13	21.11	—0.05	17,625
July 97	20.83	20.80	20.75	—0.04	12,004
Aug 97	N.T.	N.T.	20.45	—0.02	2,959
Sep 97	N.T.	N.T.	20.16	Unch.	5,281
Oct 97	N.T.	N.T.	19.88	+0.01	3,276
Nov 97	19.69	19.69	19.61	+0.01	2,647
Dec 97	19.60	19.45	19.37	+0.02	3,239
Est. sales: 31,150. Open int.: 155,830 up 1,148					

Stock Indexes

	High	Low	Close	Chge	OpInt
S&P COMP. INDEX (CMER) 500 x index					
Mar 97	782.20	771.00	774.00	—4.25	186,922
Jun 97	789.40	777.50	780.60	—2.65	9,584
Sep 97	797.00	786.80	794.20	—1.05	1,745
Est. sales N.A. Thu's. sales 86,084					
Thu's open int 197,179 up 1184					
FTSE 100 (LIFFE) £25 per index point					
Mar 97	4257.0	4244.0	4224.0	— 54.0	62,702
Jun 97	4267.0	4240.0	4244.5	— 52.5	3,066
Sep 97	N.T.	N.T.	4273.0	— 54.0	1,386
Est. sales: 19,341. Prev. sales: 16,967					
Prev. open int.: 67,154 up 447					
CAC 40 (MATIF) FF200 per index point					
Jan 97	2447.0	2427.0	2420.5	— 34.50	24,130
Feb 97	2449.0	2433.0	2432.5	— 35.00	7,775
Mar 97	2457.0	2441.5	2439.0	— 35.00	18,797
Jun 97	N.T.	N.T.	2402.0	— 35.50	1,586
Sep 97	2422.0	2422.0	2412.0	— 35.00	6,226
Mar 98	N.T.	N.T.	2447.5	— 35.00	4,993
Sep 98	N.T.	N.T.	2422.5	— 35.00	710
Est. volume: 28,435. Open int.: 66,219 up 1,272.					

Commodity Indexes

	Close	Previous
Moody's	N.A.	1,489.90
Reuters	1,957.00	2,001.00
D.J. Futures	151.75	152.06
CRB	241.11	240.50

German Price Data And Central Banker Dim Rate-Cut Hopes

Compiled by Our Staff From Dispatches

FRANKFURT — The outlook for lower interest rates was dimmed Friday when economic data showed higher inflation and the Bundesbank's vice president indicated that rates would be kept steady.

Economists largely agreed that Johann Wilhelm Gaddum's rare comment, plus cost-of-living statistics that exceeded predictions, strongly hinted at a delay in any cut, though many said they still expected a rate reduction this year.

Mr. Gaddum said the Bundesbank's injection Friday of 3.20 billion Deutsche marks ($1.95 billion) into the banking system meant that "German monetary policy would remain unchanged."

His comments followed a report on consumer prices in January in three West German states. The data for Baden-Wuerttemberg, Bavaria and North Rhine-Westphalia, which together make up almost 90 percent of the preliminary inflation report for West Germany, pointed to an annual inflation rate of around 1.7 percent in January, which would be the highest reading since July 1995.

In another report, the government said import prices rose 0.8 percent in December and were 2.0 percent higher than in December 1995.

"If inflation rates do not fall further, we will likely see a stagnation on interest rates," said Joerg Kraemer of Merrill Lynch & Co. in Frankfurt, adding that Bundesbank officials had recently signaled that the central bank would prefer stable rates.

Investors said the Deutsche mark, which is at its lowest point in more than two years against the dollar, making imports more expensive, was behind the unexpected increases.

"If the Bundesbank cuts now, it could weaken the mark even further," said Joerg Sihler of DEGEF GmbH, "and that is certainly not what they want."

Inflation still will not exceed the Bundesbank's long-term target limit of 2 percent this year, economists said, because weak domestic demand leaves little room for retailers to pass on higher costs to their customers.

Unions also will find it hard to win strong wage increases amid record unemployment and an increasing shift of production to lower-cost countries, they said.

Only if the mark's decline continues at the pace that has weakened it by 6 percent since the start of the year could imported inflation begin to push consumer prices much higher, economists said.

"You have to remember that the economic recovery is still very weak," said Timo Klein of MMS International Ltd. in London, "so it's going to be difficult for the extra costs to be passed on to the shopper. But if the mark continues to weaken like this, we could see inflation picking up more." *(Reuters, Bloomberg)*

Profit at Electrolux Fell in 4th Quarter

Compiled by Our Staff From Dispatches

STOCKHOLM — The European appliance market fell further in the fourth quarter, and there are no signs of improvement yet, Electrolux AB's chief executive, Leif Johansson, said Friday.

His remarks came as Electrolux, Europe's largest appliance maker, said its fourth-quarter pretax profit fell 33 percent from a year earlier, to 832 million kronor ($115.2 million), despite an increase in sales to 27.08 billion kronor from 26.98 billion. The company blamed the profit decline on lower sales in Europe, higher costs and fluctuations in exchange rates.

Earnings were hurt as a strengthening of the Swedish krona and the Italian lira made Electrolux products manufactured in these countries more expensive.

Electrolux took one-time charges of 250 million kronor for its household and commercial-appliances divisions last year, of which 150 million kronor was taken in the fourth quarter. Full-year operating profit for white goods was unchanged, as lower sales in Europe were offset by higher earnings in North America, but operating profit in the household-appliances division, Electrolux's biggest, fell 5 percent, to 2.46 billion kronor. Electrolux's B shares closed at 426 kronor, down 7. *(AFX, Bloomberg)*

Outcry Greets Bonn Tax Plan

Unions Say It Won't Help Jobs or Economy

Compiled by Our Staff From Dispatches

BONN — Opposition parties and unions Friday rejected major tax changes proposed by the government, criticizing them as unjust and not favorable to economic growth or employment.

The leader of the Social Democratic Party called the proposed tax package an "election lie" and said his party would fight some of the proposals. The package, unveiled Thursday by a commission led by Finance Minister Theo Waigel, calls for sizable cuts in corporate and personal income taxes, to be financed by reducing exemptions and closing loopholes. The measures would take effect in 1999.

Oskar Lafontaine, chairman of the Social Democrats, said the package did not go far enough and would not create jobs. He reiterated his party's demand that any tax-revision plan be implemented in 1998, before the election scheduled for the autumn of that year.

"Why delay until 1999? Because there is a federal election in 1998," he said. "This is simply an election lie."

Before becoming law, the tax plan must be approved by both the Bundestag, the lower house of Parliament, and the Bundesrat, the opposition-dominated upper house.

Under the plan, corporate taxes would fall to 35 percent from 47 percent, and personal income taxes would be reduced to a range of 15 percent to 39 percent from the current range of 25.9 percent to 53 percent. The cuts would cost the government 82 billion Deutsche marks ($50.04 billion) in revenue and would save taxpayers 30 billion DM, Mr. Waigel said.

An opinion survey by the Forsa institute for Deutsche Welle radio said 64 percent of those asked believed the tax changes would primarily benefit the more affluent taxpayers. Almost as many, 62 percent, said they believed the proposals eventually would work to their own disadvantage.

The German Confederation of Trade Unions, meanwhile, called the proposals unfair.

"This is a further step toward an unsocial sharing of burdens," the group said. "Average earners come out with nothing several times over, while top earners in some cases get relief of tens of thousands of marks."

Pensioners, the jobless, shift workers and commuters would be further burdened, the union said.

But the plan is not expected to benefit all business segments.

Shares of Muenchener Rueckversicherung AG and Allianz AG fell Friday on concern that the tax package would adversely affect insurers, analysts said.

Allianz closed at 2,814 DM, down 65, and Munich Re fell 90 to 3,680. Frankfurt's DAX stock-market index closed 35.22 points lower at 2,998.24.

Under the proposed tax changes, life-insurance holders would have a choice of paying a 10 percent tax on annual interest income or paying normal taxes on accumulated interest when the insurance contract matured.

In addition, company provisions against future damage claims would have to be evaluated more carefully than before. This is expected to hit insurers, who will have to report higher provisions, leading to a higher tax bill.

The new rules would mean that holdings of bonds and stocks must be re-evaluated when they rose in price. Until now, only write-downs in value were demanded by law, so the value of such holdings tended to be understated, said Michael Drepper, analyst at Deutsche Morgan Grenfell. *(Bloomberg, AFP, AFX)*

Telefonica: Are Big Investors Sated?

Bloomberg News

MADRID — Retail investors are rushing in to grab their share of the government's remaining 21 percent stake in Telefonica de Espana SA, but analysts say they expect a milder response from institutional investors, many of whom already own the stock.

The Spanish telecommunications company is attracting investors to Spain's biggest share sale by a promise of 15 percent earnings growth, fueled by the company's booming revenue from Latin American business and domestic cellular phone services. That revenue will help offset the increase in domestic competition when the European Union fully opens its telecommunications market after 1998, Telefonica officials said.

Speaking of profit, Telefonica's chairman, Juan Villalonga, said, "Our growth rate is faster than the rest of Europe's telecommunications companies."

During the first three days of the share sale, retail investors put in orders for more than their total entitlement. Half of the 196.7 million shares are designated for Spanish retail investors, and half are for institutions. But institutional investors may not like Telefonica's record share price, which has almost doubled to around 3,315 pesetas ($24.14) since the last share sale in September 1995, and many large domestic funds already have their legal limit of 10 percent of their portfolios invested in the company.

"I like Telefonica a lot," said Hernando Barcenas, who helps manage more than 250 billion pesetas in mutual funds for DB Gestion. "I still say the retail tranche will go very well. They're marketing it well, but there is already a lot of Telefonica in investment funds."

Telefonica's finance director, Alfonso Pajuelo, said the company was still a growth stock.

"The doubts about the share price," he said, "will fade when institutional investors have a chance to study the company and realize that Telefonica has a very different profile from the majority of Europe's telephone operators."

Telefonica's diversified investments set it apart from its European counterparts, particularly in Latin America, where its Telefonica Internacional unit manages more than 8 million phone lines.

Investor's Europe

Exchange	Index	Friday Close	Prev. Close	% Change
Amsterdam	EOE	676.68	685.02	-1.22
Brussels	BEL-20	2,060.61	2,075.06	-0.70
Frankfurt	DAX	2,998.24	3,033.46	-1.16
Copenhagen	Stock Market	503.17	506.04	-0.57
Helsinki	HEX General	2,736.12	2,785.95	-1.79
Oslo	OBX	574.60	578.49	-0.67
London	FTSE 100	4,218.80	4,271.50	-1.23
Madrid	Stock Exchange	464.16	476.35	-2.56
Milan	MIBTEL	12,417.00	12,653.00	-1.87
Paris	CAC 40	2,430.34	2,461.25	-1.26
Stockholm	SX 16	2,690.33	2,726.90	-1.34
Vienna	ATX	1,186.20	1,186.86	-0.06
Zurich	SPI	2,639.55	2,660.09	-0.77

Source: Telekurs — International Herald Tribune

Very briefly:

- **Neste Oy** of Finland and **RAO Gazprom** of Russia formed a venture to export natural gas within Europe and will design and build a pipeline connecting Russia to gas markets in Western Europe.
- **Argentaria Corp. Bancaria de Espana's** net profit plunged 58 percent in 1996, to 31.20 billion pesetas ($226.7 million), as the bank posted a charge to refinance its debt. Excluding the charge of 43 billion pesetas, pretax profit was virtually unchanged from 1995.
- **France Telecom** shares are likely to be offered on the market in May and should raise more than 25 billion francs ($4.52 billion) for the government, the company's president, Michel Bon, said. He did not say how much of the company would be sold.
- **AXA-UAP** sold 2.42 percent of **Compagnie Financiere de Paribas** to institutional investors. Two million of the 3 million shares, which sold for 368.50 francs each, were owned by **Union des Assurances de Paris**; the rest were owned by its new partner, **AXA.**
- **Vienna Stock Exchange** trading will be extended by one hour starting Feb. 3.
- **William Cook PLC** shares surged 42.5 pence to 422.5 ($6.88) after the steel-castings company unveiled an £80 million management buyout that exceeded the value of a hostile bid from **Triplex Lloyd PLC.**
- **J Sainsbury PLC** said pretax profit for the year ending in March would fall to £640 million or £650 million from £764 million the previous year, as spending on a restructuring aimed at reviving the supermarket chain's declining market share was outweighing increased sales.
- **Thyssen AG** is selling its 50.1 percent stake in its chalk-products unit **Rheinische Kalksteinwerke GmbH** to **Lhoist SA** of Belgium. It did not disclose terms.
- **Unilever Group** formed a $70 million joint venture with three Mexican makers of ice cream. *Bloomberg, AFP*

WORLD STOCK MARKETS

Friday, Jan. 24

Prices in local currencies.
Telekurs

Amsterdam

EOE index: 676.68
Previous: 685.02

	High	Low	Close	Prev.
ABN-AMRO	120.40	119	119.80	121.10
Aegon	118.40	116.50	118	118.60
Ahold	113.50	111.10	112.70	114.80
Akzo Nobel	263	255.80	262.60	258.70
Boan Co.	78.40	75.60	77.90	78.80
Bols Wess cva	34.40	33.50	34.40	34.30
CSM cva	101.80	100.20	101.40	101.20
Dordtsche Pet	340	337.60	338	342.70
DSM	180.70	176	179.30	182
Elsevier	27.90	27.20	27.20	28.20
Fortis Amev	67.90	66.60	67.70	68.30
Getronics	52.80	51.50	52.50	53
G-Broc cva	59.30	58.10	59.20	59.50
Hagemeyer	147	143.50	146.10	147
Heineken	295.50	291	293.50	299
Hoogovens cva	73.70	72.50	73.30	74.50
Hunt Douglas	129.40	126.50	127.50	127.50
ING Group	70.60	69.20	70	71.30
KLM	53.80	49.80	53.80	51.40
KNP BT	40.60	39.70	40.50	40.50
KPN	67.20	66.10	66.70	66.90
Nedlloyd Gp	57.10	55.40	57	56.80
Nutricia	275	260.50	267	276.70
Oce Grinten	212.50	208.50	211.90	211.50
Philips Elec	74.70	73.10	73.60	75.40
Polygram	82.50	80.30	80.30	82.80
Randstad Hdg	133	130.10	131	133.80
Robeco	152.40	151.70	152	153.70
Rodamco	55	54.60	55	54.90
Rolinco	159	158.20	158.20	160.10
Rorento	108	107.80	107.80	108
Royal Dutch	320.80	318.20	318.70	322.70
Unilever cva	304.50	301.50	302	306.20
Vendex Intl	82.60	81.20	81.90	83.60
VNU	38.30	37.20	37.90	38.60
Wolters Kl cva	225.90	222.40	223.90	226.50

Bangkok

SET index: 848.56
Previous: 849.17

	High	Low	Close	Prev.
Adv Info Svc	268	252	258	250
Bangkok Bk F	278	260	270	270
Krung Thai Bk	53	51	52	52.50
PTT Explor	414	400	408	410
Siam Cement F	900	896	900	900
Siam Com Bk F	200	197	197	199
Telecomasia	54	51.50	53.50	52.50
Thai Airways	42.50	40.50	41.50	40.50
Thai Farm Bk F	183	180	180	184
Utd Comm	190	182	186	188

Bombay

Sensex 30 index: 3435.62
Previous: 3427.89

	High	Low	Close	Prev.
Bajaj Auto	921	895	917.50	901.25
Hindust Lever	883.75	873.50	882	876
Hindust Petm	372	353.25	371.25	360
Ind Dev Bk	100	95.75	96	99.50
ITC	402	384.50	385.75	400.50
Mahanagar Tel	244.75	239.75	240.50	242
Reliance Ind	259.75	250	256.50	247.75
State Bk India	279.25	270.25	270.75	277
Steel Authority	23.75	22.25	22.50	22
Tata Eng Loco	337	327	336	334.75

Brussels

BEL-20 index: 2060.61
Previous: 2075.06

	High	Low	Close	Prev.
Almanij	12975	12600	12600	12950
Barco Ind	5530	5470	5530	5530
BBL	7080	6960	7060	7050
Bekaert	18975	18800	18875	18900
CBR	3200	3130	3150	3250
CNP	2070	2040	2070	2050
Cobepa	1264	1240	1250	1270
Cockerill	118	117	117	117
Colruyt	14650	14500	14525	14700
Delhaize Lion	2020	1970	1990	2055
Electrabel	8000	7980	7980	7960
Electrafina	3150	3125	3125	3150
Fortis AG	5690	5600	5630	5720
Gevaert	2330	2275	2310	2385
GIB	1600	1530	1595	1600
GBL	4540	4500	4530	4535
Gen Banque	12400	12000	12275	12300
Kredietbank	12400	12025	12100	12100
Petrofina	11600	11300	11475	11450
Powerfin	4850	4760	4870	4835
Royale Belge	7050	6980	6980	7090
Soc Gen Belg	2575	2560	2565	2580
Solvay	23300	22925	23200	23300
Tractebel	14750	14675	14750	14725
UCB	98500	96400	98500	97980
Union Miniere	2285	2260	2285	2275

Copenhagen

Stock index: 503.17
Previous: 506.04

	High	Low	Close	Prev.
BG Bank	290	285	289	290
Carlsberg B	388	385	387	387.63
Codan Fors	850	840	840	850
Danisco	370	363	365	369
Den Danske Bk	515	497	498	503
D/S Svenborg B	251000	249000	251000	250000
D/S 1912 B	173000	172000	172500	174500
FLS Ind B	846	834	839.85	845
Kob Lufthavne	675	664	675	675
Nvo Nordisk B	559	552	555	558
Sophus Ber B	4728	795	800	807
Tele Danmk B	354	344	345	351
Tryg Baltica	329	323	326	324.70
Unidanmark A	344	335	340	344

Frankfurt

DAX: 2998.24
Previous: 3033.46

	High	Low	Close	Prev.
AMB B	980	970	980	970
Adidas	157	154	157	151.80
Allianz Hdg	2830	2813	2814	2879
Altana	1312	1300	1300	1322
Bk Berlin	32.70	32.40	32.40	32.80
BASF	59.45	58.85	59.24	59.85
Bayer Hypo Bk	53.90	52.40	53.80	51.70
Bay.Vereinsbank	63.40	62.85	63.10	62.95
Bayer	61.49	61.12	61.40	61.98
Beiersdorf	82.90	82.50	82.50	81.20
BMW	1056	1038	1038	1075
Commerzbank	43.65	42.65	43.55	43.63
Daimler Benz	114.80	114.10	114.10	116.05
Degussa	709	701	701	709.50
Deutsche Bank	84.60	83	84.35	83.73
Deut Telekom	30.68	30.20	30.27	30.72
Dresdner Bank	53.30	52.90	53.15	54.20
Fresenius	324	321.50	322	321
Fresenius Med	147.70	146.60	147.40	150.25
Fried. Krupp	248	245.50	246	248.10
Gehe	111.80	110.25	110.55	111.15
Heidelbg Zmt	133	131	133	132
Henkel pfd	83.70	82	83.70	84
Hochtief	69	67.50	67.50	68.30
Hoechst	70.45	69.30	69.93	69.65
Karstadt	502	494.50	500	492
Linde	1043	1032	1034	1067
Lufthansa	23.05	22.60	23	23.25
MAN	410.50	404	410	411.50
Mannesmann	643	637	638	648
Metallgesellschaft	33.20	33.15	33.15	33.27
Metro	128.40	127.70	128.40	129.30
Munch Rueck R	3750	3680	3680	3770
Preussag	379	377	379	381.50
RWE	67.25	67	67.11	68.70
SAP pfd	230.80	228	229	233
Schering	134.50	133.55	133.85	136.50
Siemens	77.52	76.92	77.18	79.40
Thyssen	290.50	287.50	290.50	297.50
Veba	91.25	90.80	90.95	91.45
VEW	495	481	495	483
Viag	658	651	658	658.50
Volkswagen	778	768	769.50	766

Helsinki

HEX General index: 2736.12
Previous: 2785.95

	High	Low	Close	Prev.
Cultor 1	250	245	247	255
Enso A	38.50	38	38.50	38.50
Huhtamaki I	218	216	216	219
Kemira	56	55.20	55.20	55.50
Kesko	67	65.70	66	67
Merita A	16.50	15.80	16.30	16.40
Metra B	279.50	275	276	280
Metsa-Serla B	36.50	35	35	36.30
Neste	120	118	118	122
Nokia A	323	313.50	316.50	330.50
Orion-Yhtymae	182	180	182	182.50
Outokumpu A	78.70	78	78	79
Rautaruukki	45.50	44.20	44.20	45.50
Sampo Insur	417	404	414	407.50
UPM-Kymmene	99	97.60	98.70	100.80
Valmet	84.70	82.50	84.70	83.80

Hong Kong

Hang Seng: 13379.55
Previous: 13610.33

	High	Low	Close	Prev.
Amoy Props	10.20	9.90	10.20	10.35
Bk East Asia	35.90	34.70	35.50	35.70
Cathay Pacific	11.95	11.70	11.70	11.95
Cheung Kong	74.50	73	73.75	74.75
CK Infrastruct	22.30	22.10	22.10	22.40
China Light	33.50	32.80	33.10	33.40
China Overs Ld	3.90	3.83	3.85	3.90
China Res Ent	16	15.30	15.80	15.60
Chin Estates	8.30	8.10	8.15	8.25
Citic Pacific	38.80	37.50	38.50	38.30
Cosco Pacific	8.75	8.60	8.75	8.70
Dao Heng Bk	39	38.40	38.50	39.40
First Pacific	10.65	10.35	10.60	10.60
Great Eagle	34.80	33.60	33.60	34.90
Guangdong Inv	6.80	6.55	6.80	6.75
Guoco Group	45.90	45	45.20	46.20
Hang Lung Dev	16.20	15.90	15.95	16.40
Hang Seng Bk	91.75	90.25	91.25	91.50
Henderson Inv	9.20	9.05	9.20	9.35
Henderson Ld	72	71	71.75	72.25
HKR Intl	12.35	12	12.20	12.20
HK China Gas	14.60	14.40	14.50	14.60
HK Electric	26.85	26.60	26.80	27
HK Shang Hils	14.60	14.25	14.25	14.55
HK Telecomm	13.20	12.70	12.75	13.25
Hopewell Hdgs	4.68	4.53	4.65	4.73
HSBC Hdgs	178.50	177	177	180
Hutchison Wh	63	61	61	64.25
Hysan Dev	29.10	28.60	28.85	29.10
Johnson El Hdg	23.40	22.85	23.30	23.60
Kerry Props	20	19.45	19.90	19.65
Natl Mutual	7.55	7.40	7.50	7.35
New World Dev	49.40	48.70	49.20	49.60
N World Infrastr	22.95	22.20	22.90	22.45
Oriental Press	3	2.75	2.78	3
Pearl Oriental	5.55	5.35	5.45	5.60
Shanghai Indus	27.15	26.50	27.10	27
Shangri-La Asia	11.40	11.25	11.30	11.40
SHK Props	90.75	89.50	90.25	91.25
Shun Tak Hdgs	5.40	5.25	5.35	5.40
Sino Land Co.	9.10	8.90	9.10	9.10
Sth China Post	6.45	6.35	6.45	6.45
Swire Pac A	75.25	73.50	73.50	75.75
Tsim Sha Tsui	19.60	19.20	19.55	19.50
TV Broadcasts	33	32.70	33	33.30
Wharf Hdgs	37.60	36.50	36.50	37.70
Wheelock	22.50	21.60	21.95	22.65

Jakarta

Composite index: 678.91
Previous: 684.98

	High	Low	Close	Prev.
Astra Intl	6325	6250	6300	6325
Bk Intl Indon	1800	1750	1750	1800
Bk Negara	1700	1600	1625	1700
Gudang Garm	11700	11400	11400	11750
Indocement	3600	3525	3600	3600
Indofood	5150	5075	5100	5150
Indosat	7100	7000	7000	7100
Sampoerna HM	14300	14200	14250	14400
Semen Gresik	7325	7275	7300	7250
Telekomunikasi	4125	4050	4100	4100

Johannesburg

All Market: 6684.62
Previous: 6717.39

	High	Low	Close	Prev.
Amalgamated Bks	26.15	25.50	25.50	26.15
AngloAm Coal	315	308	315	318
AngloAm Corp	255	248	249	256.50
AngloAm Gold	328.75	326	327	326
AngloAm Ind	170	169	169.50	169.25
Barlow	47.35	45	46.75	47.45
C.G. Smith	23.50	23.25	23.35	24
De Beers	139.25	138	138.75	139.25
Driefontein	43.45	42.50	43.65	42.20
Fst Natl Bk	25.70	25.20	25.70	25.90
Gencor	19.10	18.60	18.70	18.90
GFSA	110.50	106	109	105
Iscor	2.71	2.68	2.71	2.70
Liberty Hdgs	320	320	320	320
Liberty Life	118	116.25	117.50	118.50
Minorco	106.50	105.75	106.50	106.50
Nampak	18	17.40	17.60	18
Nedcor	68.75	68	68	68.75
Rembrandt Gp	42	41.75	41.80	42.25
Richemont	63.25	62	63	63.50
Rust Platinum	59.25	57.50	59	57
SA Breweries	123.50	121	122.50	123.25
Samancor	49.50	49.50	49.50	50
Sasol	55.75	55.25	55.75	56
SBIC	184	181	183	184
Tiger Oats	64.75	64.25	64.50	65

Kuala Lumpur

Composite: 1244.13
Previous: 1241.87

	High	Low	Close	Prev.
Genting	18	17.40	17.80	17.40
Mal Banking	28	27.50	27.75	27.50
Mal Intl Ship F	6.70	6.50	6.50	6.55
Petronas Gas	9.55	9.35	9.50	9.40
Renong	4.50	4.40	4.46	4.40
Resorts World	13.30	13	13.30	13.10
Sime Darby	9.60	9.45	9.50	9.65
Telekom Mal	21.20	20.80	21.20	20.80
Tenaga	13.10	13	13.10	13.10
Utd Engineers	23.10	22.40	22.40	23

London

FT-SE 100: 4218.80
Previous: 4271.50

	High	Low	Close	Prev.
Abbey Natl	7.79	7.60	7.66	7.72
Allied Domecq	4.25	4.17	4.19	4.20
Anglian Water	6.27	6.20	6.21	6.25
Argos	6.40	6.34	6.39	6.38
Asda Group	1.23	1.21	1.22	1.25
Assoc Br Foods	4.86	4.81	4.82	4.85
BAA	5.17	5.10	5.13	5.16
Barclays	11.55	11.33	11.42	11.52
Bass	8.68	8.62	8.66	8.69
BAT Ind	5.02	4.65	5	5
Bank Scotland	3.30	3.23	3.24	3.26
Blue Circle	4.06	3.98	4.04	4.06
BOC Group	9.40	9.33	9.34	9.39
Boots	6.49	6.40	6.46	6.46
BPB Ind	3.83	3.78	3.81	3.83
Brit Aerosp	12.95	12.76	12.91	12.86
Brit Airways	5.97	5.91	5.97	5.95
Brit Gas	2.27	2.22	2.24	2.26
Brit Land	5.25	5.14	5.25	5.18
Brit Petm	7.39	7.10	7.31	7.26
BSkyB	5.79	5.60	5.68	5.81
Brit Steel	1.52	1.50	1.51	1.53
Brit Telecom	4.34	4.22	4.25	4.28
BTR	2.67	2.49	2.63	2.65
Burmah Castrol	10.35	10.25	10.25	10.33
Burton Gp	1.54	1.51	1.52	1.55
Cable Wireless	4.90	4.76	4.76	4.94
Cadbury Schw	4.90	4.82	4.90	4.92
Carlton Comm	4.95	4.88	4.90	4.90
Comml Union	7.09	6.95	7.04	7.05
Compass Gp	6.75	6.68	6.72	6.68
Courtaulds	3.78	3.77	3.78	3.84
Dixons	5	4.92	4.99	4.96
Electrocomponents	4.66	4.60	4.62	4.67
EMI Group	12.65	12.48	12.53	12.70
Enterprise Oil	6.30	6.21	6.27	6.26
Fam Colonial	1.53	1.50	1.50	1.54
Genl Accident	8.12	8	8.08	8.10
GEC	4.11	3.98	4.04	4.06
GKN	10.02	9.81	10	9.90
Glaxo Wellcome	9.56	9.43	9.48	9.55
Granada Gp	8.74	8.55	8.69	8.62
Grand Met	4.68	4.58	4.59	4.61
GRE	2.80	2.75	2.76	2.80
Greenalls Gp	5.75	5.68	5.70	5.76
Guinness	4.47	4.35	4.42	4.45
GUS	6.27	6.17	6.19	6.26
Hanson	0.93	0.90	0.93	0.92
Hays	5.60	5.54	5.58	5.62
HSBC Hldgs	14.44	14.01	14.05	14.34
ICI	7.49	7.40	7.47	7.45
Impl Tobacco	3.92	3.87	3.88	3.92
Kingfisher	6.70	6.57	6.66	6.68
Ladbroke	2.35	2.27	2.28	2.25
Land Sec	7.87	7.81	7.86	7.84
Lasmo	2.41	2.36	2.38	2.40
Legal Genl Grp	3.84	3.77	3.81	3.82
Lloyds TSB Gp	4.70	4.60	4.65	4.68
LucasVarity	2.40	2.08	2.12	2.12
Marks Spencer	4.86	4.77	4.79	4.84
MEPC	4.67	4.60	4.66	4.65
Mercury Asset	13.20	13	13.05	12.78
National Grid	2.18	2.10	2.10	2.14
Natl Power	5.23	5.08	5.14	5.23
NatWest	7.92	7.73	7.78	7.92
Next	5.56	5.50	5.54	5.58
Orange	2.11	2.06	2.09	2.11
P&O	6.31	6.21	6.25	6.26
Pearson	7.60	7.41	7.51	7.52
Pilkington	1.47	1.43	1.43	1.45
PowerGen	6.65	6.52	6.53	6.61
Premier Farnell	6.95	6.89	6.89	6.94
Prudential	5.38	5.30	5.36	5.37
RailTrack PP	3.90	3.82	3.84	3.83
Rank Group	4.15	4.10	4.15	4.13
Reckitt Colm	7.03	6.97	7.01	7
Redland	3.38	3.30	3.35	3.36
Reed Intl	10.50	10.25	10.30	10.48
Rentokil Initial	4.47	4.40	4.42	4.46
Reuters Hdgs	7.01	6.80	6.91	6.99
Rexam	3.38	3.30	3.34	3.33
RMC Group	9.37	9.29	9.35	9.40
Rolls Royce	2.45	2.42	2.45	2.47
Royal Bk Scot	6.01	5.85	5.92	5.93
RTZ reg	9.40	9.23	9.27	9.42
Royal & Sun All	4.85	4.79	4.82	4.84
Safeway	4.03	3.87	3.91	4.03
Sainsbury	3.65	3.32	3.42	3.92
Schroders	16.50	16.40	16.50	16.45
Scot Newcastle	6.89	6.80	6.86	6.85
Scot Power	3.77	3.71	3.77	3.76
Securicor	2.95	2.88	2.92	2.92
Severn Trent	7.05	6.95	6.96	6.98
Shell Transp R	10.67	10.48	10.49	10.63
Siebe	10.15	9.98	10.10	9.95
Smith Nephew	1.82	1.81	1.82	1.80
SmithKline	9.32	8.52	8.63	8.84
Smiths Ind	7.76	7.65	7.67	7.74
Sthern Elec	7.90	7.77	7.86	7.78
Stagecoach	8.02	7.97	8.02	7.98
Stand Charter	7.33	7.23	7.31	7.39
Tate & Lyle	4.68	4.37	4.42	4.48
Tesco	3.67	3.57	3.59	3.67
Thames Water	6.57	6.48	6.48	6.52
3i Group	5.28	5.18	5.18	5.26
TI Group	5.44	5.37	5.38	5.41
Tomkins	2.85	2.75	2.78	2.81
Unilever	13.73	13.60	13.64	13.76
Utd Assurance	5.12	5.05	5.05	5.10
Utd News	7.18	7.08	7.16	7.15
Utd Utilities	6.69	6.53	6.59	6.70
Vendome Lx uts	4.97	4.93	4.97	4.95
Vodafone	2.82	2.74	2.81	2.78
Whitbread	7.91	7.73	7.73	7.86
Williams Hdgs	3.35	3.32	3.33	3.34
Wolseley	4.80	4.73	4.74	4.80
WPP Group	2.48	2.43	2.48	2.45
Zeneca	17.50	16.83	17.25	16.85

Madrid

Bolsa index: 467.81
Previous: 474.66

	High	Low	Close	Prev.
Acerinox	17200	16500	16790	17370
ACESA	1855	1825	1830	1875
Aguas Barcelon	6000	5800	5800	5910
Argentaria	5790	5730	5770	5810
BBV	7880	7780	7810	7910
Banesto	1155	1130	1140	1160
Bankinter	19400	19130	19130	19550
Bco Centro Hisp	3400	3340	3360	3400
Bco Exterior	2730	2710	2720	2730
Bco Popular	26840	26410	26410	26960
Bco Santander	8380	8290	8300	8450
CEPSA	4600	4410	4480	4620
Continente	2620	2570	2600	2625
Corp Mapfre	8470	7890	8320	8560
Endesa	9950	9570	9580	10000
FECSA	1340	1290	1300	1345
Gas Natural	31900	30900	30940	32200
Iberdrola	1655	1625	1630	1675
Pryca	2635	2580	2580	2655
Repsol	5930	5870	5880	5960
Sevillana Elec	1370	1325	1325	1380
Tabacalera	6230	6140	6220	6270
Telefonica	3370	3315	3315	3380
Union Fenosa	1225	1195	1200	1235
Valenc Cement	1445	1410	1440	1445

Manila

PSE index: 3332.53
Previous: 3328.38

	High	Low	Close	Prev.
Ayala B	30.50	29.50	30	28.50
Ayala Land	31.50	31	31.50	31.50
Bk Philip Isl	180	176	180	174
C&P Homes	14.75	14.50	14.50	14.50
Manila Elec A	129	127	128	129
Metro Bank	690	685	685	680
Petron	10.75	10	10.50	10.50
PCI Bank	342.50	337.50	340	340
Phil Long Dist	1560	1520	1525	1570
San Miguel B	105	104	105	105
SM Prime Hdg	7.60	7.30	7.40	7.50

Mexico

Bolsa index: 3680.56
Previous: 3695.18

	High	Low	Close	Prev.
Alfa A	41.75	41.00	41.40	41.75
Banacci B	17.02	16.52	16.54	17.02
Cemex CPO	29.50	29.00	29.50	29.25
Cifra C	10.94	10.70	10.94	10.90
Emp Moderna	41.35	41.10	41.15	41.45
Gpo Carso A1	49.35	48.95	49.30	49.10
Gpo Fin Inbursa	28.00	27.80	27.90	28.00
Kimb Clark Mex	172.90	171.50	172.90	172.00
Televisa CPO	105.00	105.00	105.00	105.00
TelMex L	14.70	14.38	14.56	14.64

Milan

MIB Telematico: 12417.00
Previous: 12653.00

	High	Low	Close	Prev.
Alleanza Assic	12680	12205	12240	12640
Bca Comm Ital	3350	3255	3255	3305
Bca Fideuram	4495	4325	4435	4375
Bca di Roma	1349	1310	1319	1310
Benetton	21850	20900	21150	21850
Credito Italiano	2250	2230	2250	2270
Edison	10700	10360	10510	10810
ENI	9200	8910	8915	9230
Fiat	5480	5320	5360	5470
Generali Assic	34300	33150	33750	33600
IMI	16645	16200	16210	16890
INA	2285	2250	2265	2265
Italgas	6940	6680	6775	6850
Mediaset	7730	7570	7600	7800
Mediobanca	11290	10770	10790	11220
Montedison	1346	1315	1326	1349
Parmalat	2890	2770	2775	2895
Pirelli	3530	3450	3500	3500
RAS	16130	15360	15650	15735
Rolo Banca	17800	17035	17500	17450
S Paolo Torino	11460	11120	11390	11495
Stet	8000	7840	7890	8005
Telecom Italia	4665	4510	4550	4700
TIM	4980	4680	4750	4890

Montreal

Industrials index: 2887.73
Previous: 2898.76

	High	Low	Close	Prev.
Bco Mob Com	43	42.90	42.90	42.90
Cdn Tire A	21.35	21.10	21.10	21¼
Cdn Util A	32¼	32.15	32.20	32.40
CT Fin'l Svc	31.55	31.55	31.55	31.55
Gaz Metro	16.70	16.40	16.45	16¾
Gt-West Lifeco	20.80	20.55	20.80	20.80
Imasco	35.40	34.55	35	35.45
Investors Grp	26¼	26	26	25.85
Loblaw Cos	16	15.70	15.70	16.20
Natl Bk Canada	14.50	14	14.30	14.05
Power Corp	28.70	28.45	28.70	28¾
Power Fin'l	26.15	26.10	26.15	26.05
Quebecor B	26	25.55	25.60	26.10
Rogers Comm B	9.25	9.30	9.35	9.30
Royal Bk Cda	50.30	49¾	49.90	49¾

Oslo

OBX index: 574.60
Previous: 578.49

	High	Low	Close	Prev.
Aker A	165	160	165	164
Bergesen Dy A	147	145.50	146	147.50
Christiania Bk	22.50	22.20	22.30	22.50
Den norske Bk	26.20	25.90	25.90	26.30
Elkem	104.50	102	103.50	105
Hafslund A	49	48	48.50	49.50
Kvaerner Asa	313	303	308	309.50
Norsk Hydro	367	361.50	362	368.50
Norske Skog A	198	192	197	193
Nycomed A	112	109	110.50	112.50
Orkla Asa A	528	515	517.50	525
Petro GeoSvc	295	281	290	287
Saga Petm A	128	126	127.50	128
Schibsted	135	133	133	135
Transocean Off	446	445	445	440
Storebrand Asa	35.90	35.50	35.80	35.50

Paris

CAC-40: 2430.34
Previous: 2461.25

	High	Low	Close	Prev.
Accor	708	680	693	691
AGF	165.80	164.60	165.70	166
Air Liquide	862	844	856	868
Alcatel Alsth	465.50	458.50	460.80	472
Axa	362	355.20	358	359.20
Bancaire	686	655	686	667
BIC	883	865	875	899
BNP	229.50	220.50	226	226.40
Canal Plus	1224	1212	1220	1231
Carrefour	3305	3250	3258	3324
Casino	239.40	236.50	239.40	239.40
CCF	261.90	247	257	254.80
Cetelem	697	670	690	695
Christian Dior	923	911	916	923
CLF-Dexia Fran	502	493	499	498.60
Credit Agricole	1266	1260	1266	1260
Danone	790	773	774	796
Elf-Aquitaine	529	512	512	533
Eridania BS	830	808	815	831
Eurotunnel	7.60	7.40	7.50	7.70
Gen. Eaux	688	676	681	697
Havas	392	388.10	392	392.80
Imetal	819	800	819	824
Lafarge	333	327.20	332	333
Legrand	918	911	917	927
L'Oreal	1942	1888	1902	1958
LVMH	1500	1476	1497	1508
Lyon. Eaux	528	511	517	518
Michelin B	308	295.30	306.60	298.50
Paribas A	370.10	368	369.90	378
Pernod Ricard	302.90	297	299	306
Peugeot Cit	547	533	544	547
Pinault-Print	2362	2319	2352	2393
Promodes	1459	1428	1432	1461
Renault	115.60	113.60	115.30	115.90
Rexel	1713	1650	1660	1713
Rh-Poulenc A	177	174	176.30	178
Roussel-Uclaf	1528	1527	1527	1527
Sanofi	548	535	542	541
Schneider	265.40	260.30	262	264.60
SEB	1115	1081	1104	1106
SGS Thomson	379.90	365	365	398
Ste Generale	627	588	620	592
Sodexho	2649	2601	2614	2671
St Gobain	801	773	780	797
Suez	226.40	221.30	225	224
Synthelabo	575	541	571	554
Thomson CSF	168	163	163.30	168
Total B	467	460.30	463	468
UAP	0000	0000	0000	0000
Usinor	73.50	72.15	73.25	72.80
Valeo	358	351.40	358	361

São Paulo

Bovespa index: 77618.90
Previous: 78906.80

	High	Low	Close	Prev.
Bradesco Pfd	8.30	8.05	8.12	8.30
Brahma Pfd	629.99	615.00	620.00	630.00
Cemig Pfd	45.20	44.30	44.60	44.50
CESP Pfd	51.05	50.65	51.00	51.10
Copel	13.80	13.50	13.70	13.75
Eletrobras	423.00	416.00	416.00	425.00
Itaubanco Pfd	473.50	468.00	468.00	473.50
Light Servicios	372.00	369.00	372.00	372.00
Lightpar	277.50	275.00	277.00	279.99
Petrobras Pfd	191.01	187.99	188.00	191.50
Telebras Pfd	89.70	88.40	88.75	90.50
Telemig	151.00	147.99	149.00	149.00
Telerj	156.00	150.50	150.51	157.00
Telesp Pfd	246.99	243.00	244.00	246.99
Unibanco	34.99	33.70	34.80	34.90
CVRD Pfd	23.00	22.60	22.80	23.20

Seoul

Composite index: 679.56
Previous: 676.91

	High	Low	Close	Prev.
Dacom	99000	93100	98000	99000
Daewoo Heavy	5310	5100	5200	5220
Kia Motors	16000	15200	16000	15700
Korea El Pwr	28000	26700	28000	27200
Korea Exch Bk	8100	7930	7930	8610
Korea Mob Tel	500000	470000	491000	479500
LG Semicon	19500	19100	19300	19200
Pohang Iron St	41000	39400	41000	40300
Samsung Elec	44600	41900	44000	43600
Shinhan Bank	11200	10900	11000	11300

Singapore

Straits Times: 2242.71
Previous: 2248.34

	High	Low	Close	Prev.
Asia Pac Brew	8.35	8	8.30	8.10
Cerebos Pac	10.70	10.50	10.70	10.70
City Devlts	14.20	13.70	13.80	14.20
Cycle Carriage	16	15.50	15.80	16.10
Dairy Farm Intl *	0.81	0.80	0.80	0.81
DBS foreign	19.80	19.50	19.50	19.90
DBS Land	5.65	5.45	5.60	5.65
Far East Leving	7.25	7.15	7.20	7.20
Fraser & Neave	13.80	13.50	13.80	13.90
HK Land *	2.90	2.83	2.84	2.92
Jard Mathesn *	6.25	5.95	6.20	6.05
Jard Strategic *	3.42	3.40	3.40	3.42
Keppel	11.20	11	11.10	11.20
Keppel Bank	4.20	4.16	4.20	4.20
OCBC foreign	19.30	18.80	18.80	19.40
OS Union Bk F	11.70	11.50	11.50	11.50
Parkway Hdgs	5.55	5.45	5.50	5.50
Sembawang	8.10	7.90	8	8
Sing Air foreign	13.80	13.60	13.70	13.90
Sing Land	8.70	8.55	8.55	8.70
Sing Press F	28.40	27.90	27.90	28.40
Sing Tech Ind	3.74	3.68	3.74	3.72
Sing Telecomm	3.38	3.26	3.32	3.30
Straits Steam	4.98	4.88	4.96	4.96
Tat Lee Bank	3.48	3.46	3.48	3.50
Utd Industrial	1.22	1.19	1.19	1.22
Utd O'Sea Bk F	17.10	16.50	16.50	17.20
Wing Tai Hdgs	4.44	4.36	4.44	4.40

*: in U.S. dollars.

Stockholm

SX 16 index: 2690.33
Previous: 2726.98

	High	Low	Close	Prev.
AGA BF	106.50	105.50	106	107.50
ABB AF	893	865	882	873
AssiDoman F	184	182	182	185
Astra AF	341.50	335	336.50	339.50
Atlas Copco AF	171.50	169.50	169.50	170
Avesta F	74	72.50	73.50	73.50
Electrolux BF	448	424	426	433
Ericsson BF	246	240	240.50	249
Hennes BF	1067	1021	1033	1025
Incentive AF	510	506	506	512
Investor BF	330	324	326	327.50
Kinnevik BF	211	207	210	210
MoDo BF	205.50	203	203.50	208
Pharm/Upjohn	274	269.50	270	277
Sandvik BF	187.50	184.50	184.50	187
SCA BF	144.50	142.50	142.50	144.50
S-E Banken AF	73.50	67.50	72.50	68
Skandia Fors F	195	192	192	196.50
Skanska BF	314.50	308	310	312
SKF BF	174	169	172	169.50
SSAB BF	117	115	117	116
Stora AF	95	92	93	95
Sv Handles AF	186.50	184.50	186	187.50
Sydkraft AF	155	154	155	156
Trelleborg BF	104.50	103	104.50	105.50
Volvo BF	179	176	177	180

Sydney

All Ordinaries: 2423.06
Previous: 2434.50

	High	Low	Close	Prev.
Amcor	8.08	8	8.06	8.16
ANZ Bkng	8.04	7.92	8.02	7.98
BHP	18.12	17.91	17.98	18.16
Boral	3.43	3.38	3.42	3.42
Brambles Ind.	22.40	22	22.31	22.47
Burns Philp	2.30	2.27	2.30	2.28
CBA	12.70	12.55	12.67	12.71
CC Amatil	12.95	12.52	12.65	12.94
Coles Myer	5.06	4.99	5.04	5.05
Comalco	6.65	6.55	6.63	6.76
CRA Ltd	19.30	19.20	19.28	19.25
CSR	4.35	4.29	4.34	4.35
Fosters Brew	2.55	2.51	2.55	2.52
GIO Australia	3.33	3.30	3.31	3.33
Goodman Fld	1.62	1.59	1.61	1.62
ICI Australia	12.81	12.70	12.76	12.90
John Fairfax	2.84	2.83	2.83	2.83
Lend Lease	23.72	23.30	23.30	23.72
Mayne Nickless	7.89	7.81	7.85	7.90
MIM Hdgs	1.86	1.82	1.85	1.84
Nat Aust Bank	15.93	15.37	15.78	15.51
News Corp	6.82	6.75	6.82	6.82
North Ltd	3.95	3.92	3.94	3.95
Pacific Dunlop	3.14	3.07	3.08	3.15
Pioneer Intl	3.70	3.64	3.68	3.68
Placer Pacific	1.70	1.67	1.67	1.72
Santos	4.79	4.69	4.70	4.80
Southcorp	4.22	4.16	4.19	4.22
Wesfarmers	9	8.92	8.92	9.03
Wmc Mining	8.30	8.16	8.22	8.30
Westfield Trt	2.40	2.37	2.39	2.39
Westpac Bkng	7.31	7.24	7.30	7.28
Woodside Pet	9.41	9.25	9.32	9.42
Woolworths	3.19	3.11	3.16	3.17

Taipei

Stock Market index: 7248.01
Previous: 7219.55

	High	Low	Close	Prev.
Asia Cement	50.50	50	50	50
Cathay Life Ins	178	176	177	176
Chang Hwa Bk	169	166	166	166
China Steel	25.80	25.40	25.40	25.60
China Trust	53.50	52.50	52.50	53
Evergreen	54.50	53	53.50	54
Far East Text	36	34.40	36	34.40
First Bank	175	173	173	173
Formosa CF	43.10	42.20	42.50	42.60
Hua Nan Bk	144	142	142	142.50
Hualon Teijran	25.30	24.70	25.30	24.70
ICBC	84.50	83.50	83.50	84
President Ent	47.50	46.20	46.40	46.90
Taiwan Cemt	63	60.50	60.50	62
Tatung	53.50	52.50	52.50	53

Tokyo

Nikkei 225: 17689.36
Previous: 17909.46

	High	Low	Close	Prev.
Ajinomoto	1030	1010	1020	1030
All Nippon Air	768	745	746	758
Asahi Bank	790	778	782	783
Asahi Chem	646	627	632	647
Asahi Glass	1050	1030	1040	1050
Bk Tokyo Mitsu	1840	1810	1840	1850
Bk Yokohama	656	640	644	650
Bridgestone	2120	2070	2090	2100
Canon	2520	2480	2500	2500
Chiba Bank	730	720	730	731
Chubu Elec	2260	2230	2250	2260
Chugoku Elec	2220	2190	2200	2200
Daiei	805	797	805	800
Daiichi Kang	1380	1260	1270	1310
Daiwa Bank	515	500	509	516
Daiwa House	1400	1370	1390	1410
Daiwa Sec	973	952	952	974
Denso	2470	2420	2460	2450
Fanuc	3420	3330	3420	3440
Fuji Bank	1330	1280	1300	1340
Fuji Photo	3610	3490	3590	3530
Fujitsu	1200	1180	1190	1150
Hitachi	1030	1020	1030	1030
Honda Motor	3210	3160	3170	3210
IBJ	1620	1580	1610	1620
IHI	488	465	471	486
Itochu	540	529	534	530
Ito-Yokado	5400	5210	5280	5470
JAL	493	488	490	494
Jusco	3400	3100	3190	3410
Kajima	730	702	720	735
Kansai Elec	2270	2220	2260	2280
Kao	1210	1190	1190	1190
Kawa Steel	290	282	285	290
KDD	7360	7140	7170	7380
Kinki Nipp Ry	721	713	713	715
Kirin Brewery	1090	1050	1070	1120
Kobe Steel	214	210	212	214
Komatsu	853	840	850	850
Kubota	527	512	514	527
Kyocera	7050	6840	6870	7090
Kyushu Elec	2250	2210	2220	2250
LTCB	500	479	479	508
Marubeni	460	445	446	450
Marui	1710	1650	1700	1690
Matsu Elec Ind	1740	1710	1730	1730
Matsu Elec Wk	1040	1020	1030	1030
Mitsubishi	1040	1010	1020	1060
Mitsubishi Ch	340	325	325	345
Mitsubishi El	663	653	659	658
Mitsubishi Est	1240	1200	1220	1210
Mitsubishi Hvy	858	850	855	855
Mitsubishi Mat	903	896	896	896
Mitsubishi Tr	1290	1250	1250	1300
Mitsui	880	871	875	880
Mitsui Fudosn	1130	1100	1130	1110
Mitsui Trust	739	720	739	735
Murata Mfg	3770	3710	3720	3820
NEC	1400	1370	1400	1420
Nikko Sec	795	761	761	803
Nintendo	7650	7580	7630	7710
Nipp Credit Bk	243	231	232	245
Nipp Express	708	698	700	704
Nippon Oil	547	538	539	547
Nippon Paper	547	515	517	550
Nippon Steel	295	289	293	295
Nippon Yusen	492	480	489	500
Nissan Motor	709	690	704	695
NKK	234	229	229	232
Nomura Sec	1530	1500	1520	1530
NTT	8530a	8460a	8500a	8530a
Obayashi	699	670	676	681
Odakyu El Ry	632	620	625	622
Ono Pharm	3490	3410	3470	3490
Osaka Gas	304	298	301	306
Ricoh	1340	1320	1340	1340
Sakura Bk	720	691	702	722
Sankyo	3230	3150	3180	3220
Sanwa Bank	1410	1370	1390	1420
Sanyo Elec	491	473	480	501
Secom	6570	6510	6570	6610
Seibu Rwy	4440	4120	4120	4340
Sekisui House	1080	1050	1060	1120
Seven-Eleven	6970	6840	6970	6870
Sharp	1480	1450	1470	1460
Shimizu	732	720	722	726
Shin-etsu Ch	2180	2140	2160	2170
Shizuoka Bk	1070	1040	1040	1070
Sony	7820	7740	7760	7720
Sumitomo	909	890	890	912
Sumitomo Bk	1370	1330	1340	1370
Sumit Chem	410	396	398	409
Sumitomo Elec	1610	1580	1590	1590
Sumit Metal	257	250	256	256
Sumit Trust	942	905	918	952
Taisei	540	513	516	529
Taisho Pharm	2810	2750	2750	2790
Takeda Chem	2380	2340	2370	2380
TDK	7450	7320	7320	7330
Tohoku El Pwr	2170	2120	2130	2180
Tokai Bank	961	940	954	974
Tokio Marine	1020	1010	1020	1010
Tokyo El Pwr	2420	2360	2380	2440
Tokyo Gas	305	297	300	300
Tokyu	565	541	558	551
Tonen	1220	1180	1200	1220
Toppan Print	1340	1300	1300	1330
Toray Ind	691	680	680	699
Toshiba	705	695	695	701
Toyo Seikan	2900	2800	2810	2890
Toyo Trust	820	804	812	828
Toyota Motor	3250	3210	3240	3230
Yamaichi Sec	466	453	455	467
Yamanouchi	2230	2200	2220	2220
Yasuda Fire	533	523	526	528
Yasuda Trust	399	391	393	400

a: x 100

Toronto

TSE Industrials: 6033.58
Previous: 6048.51

	High	Low	Close	Prev.
Abitibi Price	21.40	20.85	21.15	21½
Alberta Energy	32¾	32.60	32¾	32.65
Alcan Alum	47½	46.35	47.20	46.40
Anderson Expl	18.40	18.15	18.20	18.35
Bk Montreal	46¼	45.85	46.05	45.90
Bk Nova Scotia	47.10	46.65	47	46¾
Barrick Gold	36.45	35.70	36.20	35.40
BCE	66.35	65.60	65¾	66.20
BC Telecomm	29.80	29.40	29.65	29.70
Biochem Pharm	70	66	69	66.85
Bombardier B	25.90	25.15	25.45	25.20
Brascan A	30.90	30.65	30.85	30¾
Bre-x Minerals	22.35	21⅛	21.30	22.15
Cameco	57¼	56	56	57
CIBC	60	59.10	59.90	59.05
Cdn Natl Rail	54.80	54	54.40	54.60
Cdn Nat Res	37.90	37.30	37.65	37.65
Cdn Occid Pet	25	24.65	24.70	24.85
Cdn Pacific	36.30	35.40	36⅛	35½
Cominco	37¼	37	37½	37½
Dofasco	25.35	25.15	25.15	25.20
Domtar	12.70	12.40	12.40	12.70
Donohue A	22¾	22.90	22.90	24
Du Pont Cda A	32.90	32½	32.90	32½
Edper Group	21.40	20.80	21.10	21.40
EuroNev Mng	37	35.65	35.95	36
Fairfax Finl	297	295	296	298
Falconbridge	30.70	30.30	30.55	30½
Fletcher Chall A	22.15	22	22.05	22.15
Franco Nevada	61	59.20	59½	60
Gulf Cda Res	11.15	10.85	10.95	11.10
Imperial Oil	63.70	63.10	63.65	63.45
Inco	45.80	45.15	45.45	45.15
IPL Energy	40.15	39.85	39.85	40.05
Laidlaw B	18.10	17¾	18	18
Loewen Group	49	48	49	48¾
Macmill Bld	18	17½	17.80	18
Magna Intl A	76¾	75¾	76.45	75.30
Methanex	13⅛	13.10	13.20	13¼
Moore	28.10	27.70	27.90	28.05
Newbridge Net	44.90	43.35	44.10	45.70
Noranda Inc	32¼	32	32.05	32.10
Norcen Energy	33	32¼	32.85	33
Nthern Telecom	94½	92	93.60	93¾
Nova	12⅞	12½	12.55	12.60
Onex	23.15	22.95	22.95	22.95
Pancdn Petlm	56¼	55	55¼	54¾
Petro Cda	21.20	20.95	20.95	21.10
Placer Dome	27½	27.10	27½	26.90
Poco Petlm	13¾	13½	13¾	13½
Potash Sask	113.70	110	110	113.80
Renaissance	46¾	46.20	46.20	46.35
Rio Algom	32.05	31.95	32	32
Rogers Cantel B	29	28¾	29	28.85
Seagram Co	54	52½	52.85	54
Shell Cda A	54.40	53.65	54.35	54.35
Stone Consold	20.35	20.10	20.35	20¼
Suncor	62.90	61.55	62½	62.65
Talisman Eny	47.10	46½	46.65	46¾
Teck B	32.10	31.70	31.90	32
Teleglobe	38½	38.15	38.15	38.20
Telus	20.10	19.95	20	20.05
Thomson	28¼	27.60	28	28¼
TorDom Bank	36.90	36¼	36.80	36.85
Transalta	16.20	16	16.15	16.10
TransCda Pipe	24.40	23.95	24	24.35
Trimark Finl	44¾	42¾	43½	44¼
Trizec Hahn	30.80	30	30.80	30.30
TVX Gold	10.55	10.30	10.35	10.15
Westcoast Eny	23.40	22.85	22.85	23.30
Weston	73¾	73.40	73½	74

Vienna

ATX index: 1186.20
Previous: 1186.86

	High	Low	Close	Prev.
Aust Airlines	1804	1804	1804	1760
Brau-Un Goess	668	661	664	673
Bund Vers Pfd	403	403	403	403
Creditanst Pfd	427.40	417	420.90	430
EA-Generali	3285	3160	3250	3190
EVN	1775	1755	1766	1771
Interunfall	1481	1481	1481	1480
Lenzing	615	598	614	613.90
Leykam	298	293.10	296	293
Mayr-Melnhof	572	562.05	570	571
OMV	1356	1338	1338.10	1358
Oest Brau	805	792	800	795
Oest Elektriz	853.20	841.50	846	854
VA Tech	1735	1709	1719.60	1735
Wienerberger	2191	2171	2187	2190

Wellington

NZSE-40 index: 2400.27
Previous: 2417.80

	High	Low	Close	Prev.
Air N Zeald B	2.75	2.70	2.71	2.75
Brierly Invt	1.36	1.34	1.34	1.37
Carter Holt ord	3.35	3.30	3.35	3.36
Fernz	5.13	5.10	5.12	5.12
Fisher Paykel	5.35	5.30	5.30	5.35
FC Forest	2.29	2.25	2.25	2.29
Goodman Fier	1.76	1.75	1.76	1.75
Indep News	6.95	6.92	6.92	6.95
Lion Nathan	3.65	3.60	3.60	3.63
Nat Gas note	2.39	2.35	2.35	2.39
NZ Refining	29.30	29.30	29.30	29.60
Telecom NZ	7.52	7.46	7.51	7.52
Wilson Horton	11.42	11.40	11.40	11.45

Zurich

SPI index: 2639.55
Previous: 2660.09

	High	Low	Close	Prev.
Adecco B	417	394	406	395
Alusuisse R	1145	1131	1136	1148
Ares-Serono B	1500	1470	1486	1495
Baloise Hdg R	2825	2780	2820	2835
ABB B	1748	1736	1745	1748
BK Vision	750	735	750	755
Boost B	1885	1830	1880	1880
CS Holdings R	141.25	137.75	141.25	141
Elektrowatt B	538	537	537	539
Fischer B	1499	1471	1487	1490
Hilti PC	920	905	910	924
Holderbank B	1024	1016	1022	1030
Jul. Baer Hdg B	1459	1427	1458	1434
Nestle R	1494	1480	1490	1490
Novartis R	1587	1564	1582	1598
Oerlikon R	146	143	144.50	146.50
Pargesa Hld B	1489	1485	1489	1485
PharmVisn B	670	657	670	674
Pirelli B	211.75	208	211	210
Roche Hdg PC	11820	11610	11780	11980
SBC R	252.50	249	249.75	254.50
Schindler B	1536	1495	1528	1533
SGS B	3185	3140	3155	3190
SMH B	950	921	950	947
Sulzer R	946	935	944	958
Swiss Reins R	1382	1366	1369	1390
Swissair R	1259	1220	1235	1265
UBS B	1180	1161	1180	1189
Valora Hdg R	273	265	268	271
Winterthur R	835	804	833	818
Zurich Assur R	383.50	378.50	381.50	386

The Trib Index

Closing prices.

Jan. 1, 1992 = 100	Level	Change	% change	year to date % change
World Index	149.54	-1.78	–1.18	+13.40
Regional Indexes				
Asia/Pacific	112.71	-1.16	–1.02	–16.05
Europe	160.67	-2.20	–1.35	+15.44
N. America	170.10	-1.63	–0.95	+32.60
S. America	125.94	-2.16	–1.69	+41.44
Industrial Indexes				
Capital goods	175.75	-2.03	–1.14	+32.26
Consumer goods	164.63	-1.46	–0.88	+19.24
Energy	175.12	-3.09	–1.73	+29.13
Finance	110.62	-1.19	–1.06	–13.06
Miscellaneous	166.49	-2.75	–1.62	+22.59
Raw Materials	174.74	-2.57	–1.45	+23.23
Service	137.06	-1.53	–1.10	+14.22
Utilities	142.88	-2.69	–1.85	+12.38

The International Herald Tribune World Stock Index © tracks the U.S. dollar values of 280 internationally investable stocks from 25 countries. For more information, a free booklet is available by writing to The Trib Index, 181 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France. Compiled by Bloomberg News.

NYSE

Friday's 4 p.m. Close
Nationwide prices, not reflecting late trades elsewhere.
The Associated Press.

Continued on Page 14

ASIA/PACIFIC

A Demanding Toy Chicken Takes Over Japan

By Kevin Sullivan
Washington Post Service

TOKYO — By dawn Friday, a line of almost 2,000 people stretched a quarter of a mile through the Ginza shopping district. Hundreds had spent the night camped on the sidewalk in the midwinter cold.

When you want a toy chicken badly enough, you will endure anything.

"It is my responsibility to nurture it and help it grow; if I do not, its face will turn vicious and it will become a gangster chicken, then it will die," said Kwon Myong Mi, 33, explaining why she had waited hours in line to pay $18 for a Tamagocchi, the hottest new fad tearing across Japan.

The Tamagocchi, which translates as "cute little egg," is a key-chain computer game about the size and shape of an egg. The game starts when an egg on the display screen hatches and a chicken is born. The owner then uses three tiny buttons to feed, play with, clean up after and discipline it. Unlike most video games that are over in a few minutes, this one can go on for days.

With proper care, the chicken grows. If the owner forgets to feed it, it sounds a loud "peep peep peep" of complaint. If the chicken poops and the owner doesn't clean up, it peeps even louder. The owner can tickle it with the press of a button, or take its temperature and give it injections of "medicine" if it seems ill.

Ignore the chicken, drop it on the subway, forget it at home or neglect to tickle it often enough, and it will grow sickly and mean-looking. Eventually it will die. Game over. The implication: You can't even keep a fake chicken alive, you loser.

More than 500,000 Tamagocchis have been sold since they were introduced two months ago by Bandai Co., the Japanese toy maker most famous for its Power Rangers. Now stores are sold out, and Tamagocchis have become Japan's answer to the "Tickle Me Elmo" fad in America, selling for $500 or more.

But unlike the giggling Elmo doll, Tamagocchis are not just for the young. Middle-aged business people play with them on the subway. Some companies are raising Tamagocchi chickens as a group project; meetings stop when the chicken peeps for its lunch. An actress being interviewed recently on a television talk show accidentally dropped a Tamagocchi out of her pocket; she explained with an embarrassed smile that she could not part with the chicken because it needed her constant care.

The buzz on Tamagocchis is so fierce that when word leaked out this week that the Hakuhinkan Toy Park had a shipment of 1,700 it was putting on sale Friday morning, there was pandemonium.

"If one person has it, everyone has to have it; that's the way it is in Japan," said Nami Tanaka, 22, a dental nurse who traveled 90 minutes from her home, then camped on the sidewalk from 10 P.M. Thursday until she finally got her little blue-and-pink Tamagocchi at 9:30 A.M. Friday.

Miss Tanaka's friend, Ayami Kanayama, 21, a student, said she had been calling every toy store in Tokyo for more than a week, waiting for word on Tamagocchis. Finally, Hakuhinkan said they would have some Friday morning, so she and Miss Tanaka spent the night on the sidewalk. Several hundred people who had not come early enough were turned away.

There are dozens of key-chain video games available in Japan, but only the Tamagocchi is causing a frenzy now.

"It's bigger than SMAP," said Kwon, referring to a Japanese singing group that sets teen-age girls screaming the way the Beatles and the New Kids on the Block did in their time. In this metropolitan area of 30 million, there is barely enough room for the people, let alone pets. Many people rent pets as weekend companions; others buy a dog or cat but leave it in the pet shop, stopping by now and then to take it for a walk. Many people have "virtual" dogs or cats on their computer; they care for them with the click of a mouse.

"Many in the younger generation want to have nice, soft pets, but they don't want to clean up after them and do the other hard parts," Rieko Zanma, an essayist, said. "The Tamagocchi is not a living creature, so it gives them satisfaction on a very 'virtual' level, which has been instilled in young people today."

Investor's Asia

Exchange	Index	Friday Close	Prev. Close	% Change
Hong Kong	Hang Seng	13,379.55	13,610.33	-1.70
Singapore	Straits Times	2,242.71	2,248.34	-0.25
Sydney	All Ordinaries	2,423.00	2,434.50	-0.47
Tokyo	Nikkei 225	17,689.36	17,909.46	-1.23
Kuala Lumpur	Composite	1,244.13	1,241.87	+0.18
Bangkok	SET	848.56	849.17	-0.07
Seoul	Composite Index	679.56	676.91	+0.39
Taipei	Stock Market Index	7,248.01	7,219.55	+0.39
Manila	PSE	3,332.53	3,328.38	+0.12
Jakarta	Composite Index	678.91	684.98	-0.89
Wellington	NZSE-40	2,400.27	2,417.80	-0.73
Bombay	Sensitive Index	3,436.62	3,427.09	+0.25

Source: Telekurs — International Herald Tribune

South Korea Allows Firms To Hold Talks With North

Reuters

SEOUL — South Korea opened the door Friday for domestic companies to invest in North Korea for the first time since a submarine incursion by the North in September shut off contact between the two Koreas.

The Unification Ministry said it had authorized seven companies to open talks with North Koreans to develop joint projects in industries including garment manufacturing and soft drinks.

The companies were Lotte Group, LG International Corp., Shin Won Corp., Korea Green Cross Corp., Taechang Co. and Dong Hae Trading Co.

Such inter-Korean contacts had been frozen since a North Korean submarine ferried 26 intruders to a landing on a beach in the South four months ago. In a rare move for the North, Pyongyang apologized last month for the incident, prompting new progress toward peace talks involving the two Koreas, the United States and China.

To initiate commercial talks, South Korean executives normally have had to meet their North Koreans counterparts in third countries such as China. Daewoo Corp. is the only South Korean company allowed a permanent presence in North Korea, where it runs a joint-venture textile factory.

Company executives and government officials cautioned Friday that progress in economic cooperation would remain difficult until the overall inter-Korean relationship improved, and they ruled out any immediate rush of investment to the North.

"Today's approval was just for contacts, not for any specific project; our group has no specific project there yet," an executive of Lotte Group said.

South Korea approved trade and investment with the North totaling $243.1 million last year, down from $309.8 million in 1995, according to the Unification Ministry.

Sony Seeks Access to Digital Broadcasting

Stake in Japan's JSkyB Would Provide Outlet for Software and Hardware

Compiled by Our Staff From Dispatches

TOKYO — Sony Corp. is negotiating with News Corp. of Australia and Softbank Corp. of Japan to take its first leap into broadcasting by joining the two companies' satellite network, Japan Sky Broadcasting Co., the companies said Friday.

Participating in the network would advance Sony's effort to become an active participant in each stage of the production and distribution of entertainment using advanced digital technology, analysts said.

"Sony is in every aspect of digital broadcasting except the delivery mechanism," Alan Bell, an analyst at Schroder Securities Japan Ltd., said. "This completes the circle."

The Nihon Keizai business daily reported that the companies had reached an agreement in principle for Sony to take a 30 percent stake in JSkyB, which Softbank and News Corp. started last month. While the companies denied they had reached agreement, they confirmed that they had held discussions aimed at finding ways for Sony to work with them.

Softbank said Sony's possible participation in JSkyB would "ensure the safety and success of the project and boost its value."

Nihon Keizai also quoted Sony's president, Nobuyuki Idei, as saying Sony would try to join another satellite-TV venture if the negotiations with Softbank and News Corp. failed. Sony's shares rose 40 yen to close at 7,760 ($65.04). Softbank shares gained 100, to 8,100. In Sydney, News Corp. shares were unchanged at 6.82 Australian dollars ($5.26).

The move to digital — a technology that moves pictures, music and other information more quickly than traditional analog systems — has huge potential for Sony.

In broadcasting, for example, it means hundreds of channels can be delivered easily into homes by satellite, which could increase demand for Sony products, from digital cameras and broadcast hardware that the company has taken a lead in developing to the singers and movie stars whose compact discs and films it produces.

Strengthening digital satellite broadcasting is one of Sony's top three goals for 1997, Mr. Idei said Thursday when he announced that the company would set up what it described as a "second headquarters" in New York, partly to entrench itself more deeply in the United States, where the latest digital technologies are being developed.

He also said Sony would establish a new company this year for its digital business.

"Growth potential for the digital satellite broadcasting business is extremely big," Mr. Idei said.

Even without moving into broadcasting, Sony stands to profit enormously from the growth of the satellite television industry. It makes equipment for transmitting broadcast signals to satellites, for example; it is a leader in manufacturing digital cameras used in television studios, it makes production and editing equipment, and it sells satellite-signal decoders for the consumer market.

Buying a chunk of JSkyB also would give Sony an active role in the marketing and distribution of satellite broadcasting — key tasks for pushing growth in the industry — and the more rapidly the industry grows, the easier it will be for Sony to move itself away from consumer electronics devices and their low profit margins.

"The expansion of this business is going to have a substantial impact on Sony's total business," Masashi Kubota, an analyst at ING Baring Securities, said.

While Sony has invested in broadcasting companies before, none of its moves has been on the scale of the discussions with JSkyB.

Sony owns 5 percent of another Japanese satellite broadcaster, PerfecTV, a competitor of JSkyB controlled by the trading companies Itochu Corp., Mitsui & Co., Sumitomo Corp. and Nissho Iwai.

JSkyB is to be launched in April with 12 channels and is due to expand to 150 channels by April 1998. *(Bloomberg, Reuters, AFX)*

Very briefly:

• **India** approved an aviation policy that will allow foreign investors to take equity stakes of as much as 40 percent in domestic airlines; analysts said the measure fell short of expectations because the cabinet had put off a decision on whether to allow foreign airlines or airport companies to invest directly in Indian aviation ventures.

• **Ayala Corp.**'s A shares, reserved for Filipinos, rose 1 peso (3.8 cents) to a record 25 pesos after the company won one of two concessions to operate Manila's state-owned water system. Ayala's partners in the project are **Bechtel Group Inc.** of the United States and **United Utilities PLC** of Britain. **Benpres Holdings Corp.**, which teamed up with Lyonnaise des Eaux of France, won the other contract.

• **South Korea**'s Ministry of Trade, Industry and Energy is considering introducing an oil-quota system to curb imports of crude oil and reduce the country's trade deficit to less than $14 billion from $20 billion last year, Yonhap news agency said.

• **Indonesia**'s textile exports totaled $6.85 billion in 1996, up 10.5 percent from 1995, helped by the country's low labor and production costs; the sector has grown 151 percent since 1991, the Trade Ministry said.

• **China**'s banks will stop giving loans to companies with serious pollution problems to try to combat the growing environmental damage caused by industrialization, according to a ruling by the Agricultural Bank and the National Environmental Protection Agency.

• **Beijing** said the number of Internet subscribers in China had reached about 100,000; an analyst said the number of actual users could be 10 times that many.

• **FAI Insurances Ltd.** of Australia agreed to acquire 40 percent of **PT Asuransi Hastin Utama**, an Indonesian general insurance company. *Bloomberg, Reuters, AP, AFP*

BT: *British Telecom's Top Executive Sees a Wonderful Future for the Fleet of Foot*

Continued from Page 9

state monopolies as they were in Europe or the U.S. It's going to be a fascinating industry."

Sir Peter saw several big challenges:

• The immediate battle for telecom giants will be in Europe. The European Union has set Jan. 1, 1998, as its deadline to privatize, liberalize and deregulate the industry, and BT is racing to obtain licenses and partners to service big markets in Germany, Sweden and Holland. The strategy, he said, was to be "in at least six big countries with partners."

• BT must contend with the rapid multiplication of operators applying for licenses to compete in Britain. The company was a monopoly until privatization in 1984 and continues to hold 87 percent of the market. But that situation is changing fast. Six months ago there were only two companies licensed to handle international traffic here; now there are 49.

• Streamlining BT with its 120,000 employees and absorbing MCI's 57,000 people is a manager's nightmare. The answer? "Devolution of authority, personal decision-making, trying to get the benefits of a large corporation where people feel they are working for smaller groups within it."

• Prying open Asian markets, which he tried and failed to do last year by merging with Cable & Wireless PLC and benefit from its Asian presence. "We would like to extend our links with NTT," he said of Nippon Telegraph & Telephone Corp., the world's largest telecommunications company, and he is holding discussions "in China, Singapore and Korea."

As far the United States is concerned, why did BT buy all of MCI instead of sticking with the 20 percent share it already had? Sir Peter said the acquisition was part of a strategy to expand in local U.S. telephone markets.

" We've highlighted about $ 2.5 billion of synergy benefits over five years," he said.

The merger, he said, allows a pooling of resources, broad swapping of information on accounts, research and development, and discount purchasing from the likes of Microsoft Corp.

Asked what the joint venture was planning to do in the United States, Sir Peter said it would try to invest judiciously to obtain maximum value.

"The view is that with a judicial investment in local switching and high-speed fiber loops, you can get a decent-sized market return," he said. "MCI has invested a billion dollars so far, and maybe there is another billion dollars to go."

Asked whether Concert would retain MCI's 9 percent stake in Rupert Murdoch's News Corp. — which it may not be permitted to do by regulators here — Sir Peter was noncommittal.

He said he would like to retain the connection with the News Corp., which he called a mighty force in the telecommunications business, but to keep it at some distance.

"My view is we certainly don't want to increase the stake, but if it is a passive stake then, it's passive," he said.

He praised Mr. Murdoch as "brilliant at figuring out the things people want to buy, like sports and movies," and adept in the quickly unfolding business of interactive applications in telecommunications.

Sir Peter said he had brought the benefit of 15 years of American and Japanese experience in management to BT. From America, he took what he described as "the work ethic, the get-down, get-on-with-it type of attitude."

From the Japanese who own ICL, which he managed for 10 years before joining BT, he said he learned the value of "building a track record as you go and a very high level of integrity" as essential values for doing business in Asia. "You need a blend to make it work."

YEN: *Decline Jolts Importers*

Continued from Page 9

is just one example. "Between September and March, we had expected the yen to average around 110 yen against the dollar, so its fall to 120 is more than a pleasant surprise," Masaharu Matsumoto, Nintendo's finance director, said. He added that for every rise of one yen in the dollar's value, Nintendo's earnings rose 700 million yen.

For big Japanese importers, however, the yen's weakness represents a major threat.

So far, they have felt little pain because most big importers buy foreign- exchange contracts to shield them from short-term fluctuations in the yen's value. If the yen remains weak for as little as three more months, however, it will almost certainly hit the balance sheets of trading companies and importers of raw materials, including iron, coal and oil, because their foreign-exchange contracts will have expired.

"Large swings in the value of the yen have happened many times in the past, and we are not panicking," Nobuyuki Nakahara, honorary chairman of the oil company Tonen Corp., said.

"The peak in the yen was very short-lived, and its weakness could be equally short-lived."

The Bank of Japan decided late Thursday to postpone until April the release of its closely watched quarterly survey of business sentiment, which had been scheduled for release at the end of February.

PEPSI: *Analysts Applaud Move Away From Noncore Businesses*

Continued from Page 9

businesses can better flourish with two separate and distinct managements and corporate structures."

Analysts said PepsiCo's beverage division had suffered in competition from Coca-Cola Co. when trying to sell fountain services to chains that competed with PepsiCo restaurant outlets.

For example, Coca-Cola fountain service executives convinced McDonald's that it was wrong to buy Pepsi and add revenue to a company that owned rivals such as Taco Bell, Mr. Hoens said.

PepsiCo entered the restaurant business in 1977 by purchasing Pizza Hut. It purchased Taco Bell in 1978 and KFC (formerly Kentucky Fried Chicken) in 1986. PepsiCo said last year that it wanted to energize the division by selling off many restaurants to independent franchise owners.

■ Sales Swell War Chest

PepsiCo will get a substantial amount of funds from a debt sale planned by the restaurant unit it plans to spin off, Bloomberg News reported from Purchase, New York.

While Pepsi would not say how much it could get from the debt offering, analysts put the figure at $1.5 billion to $4.5 billion. Pepsi also said Thursday it would explore selling its restaurant-supply business, which an analyst said could fetch another $1 billion.

Pepsi will use the funds — and proceeds from the sales of other things such as restaurants or bottlers — to create a war chest it will use to reduce debt, buy back shares and fund projects that will boost profits from operations overseas, analysts said.

"They didn't spend rapidly enough internationally, and they haven't spent their money wisely on the international side. There are some clear issues here to deal with," said Martin Romm, analyst at Credit Suisse First Boston.

Officials all but rejected the possibility of using the money for acquisitions, such as Quaker Oats Co.'s Gatorade unit. The sports drink is widely believed to be for sale, along with Quaker's Snapple beverage line.

"We're not taking this move in anticipation of such a thing," said Mr. Enrico.

A number of analysts raised their recommendations on the company after the announcements. Skip Carpenter, analyst at Donaldson Lufkin & Jenrette Securities, raised the stock to "recommend list" from "buy."

Mr. Enrico, in a call with analysts, said the funds from the debt sale by its restaurant unit would partly offset the debt Pepsi would keep when it spun off its restaurants.

The exact amount Pepsi will get will depend on keeping the new company's debt at investment grade, said Pepsi's chief financial officer, Karl von der Heyden.

The restaurants' verifiable assets stand at about $6 billion. Assuming the spun-off company takes on a 50 percent debt-to-capitalization ratio, Pepsi would be able to reap $3 billion in proceeds. That amount could rise, analysts said, if the current assets such as the value of trademarks are undervalued. Pepsi also said it planned an initial public offering of its New Zealand restaurants and would continue to sell company-owned restaurants to franchisees. Friday, for example, Pepsi agreed to sell 122 Pizza Huts for $53.5 million.

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(Continued)

Herald International Tribune

MONEY

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MONDAY: SPORTS

Taking the Plunge Without Taking a Bath: Low-Cost Fund Options

By Judith Rehak and Philip Segal

THE mutual-fund industry can seem like an unfriendly place to beginning investors. Picking a fund for the first time is often a daunting task, and the required minimum investments, ranging to $10,000 and more, seem designed to discourage the uninitiated from taking the plunge.

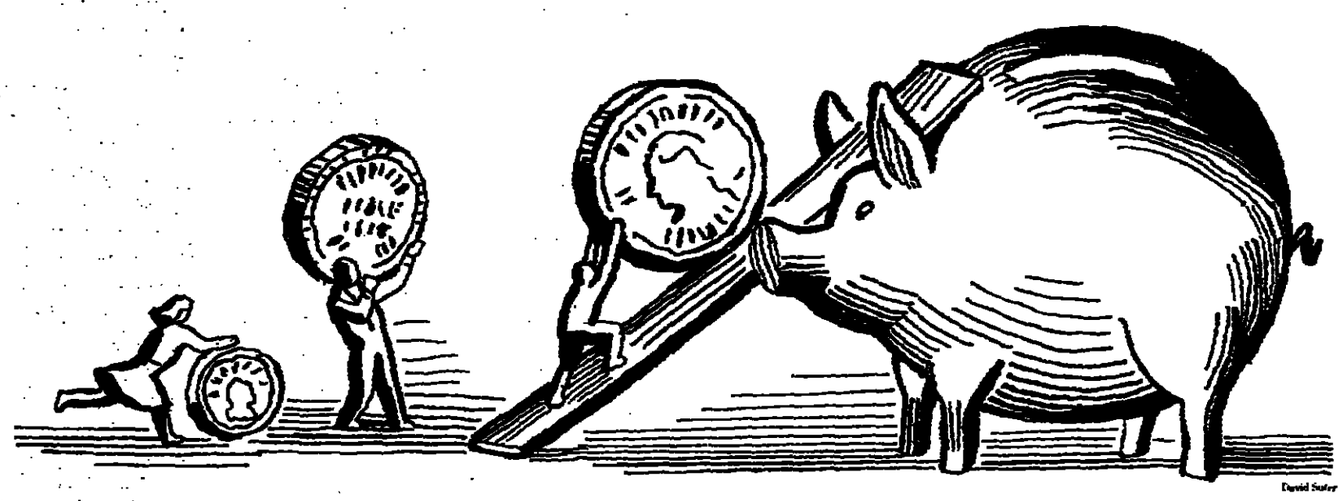
But there is hope. The companies that sponsor mutual funds — and make much of their money based on how much cash is invested — often seek to lure new clients, and low-cost deals are a time-honored incentive.

Variations on the low-cost theme range from funds with no or minimal initial investment, to monthly savings plans, to no-load or reduced-load funds.

Even the U.S. market, where in recent years working-age people have been investing in stock funds at an unprecedented clip, can seem unfriendly. In the early 1980s, some money managers gladly accepted as little as $250 to open a new account, but today minimums at major fund families are likely to be at least $2,000.

Nevertheless, there are still low-cost ways of buying a fund in the United States. One of the most popular is to open an Individual Retirement Account. At Vanguard Group, the second-biggest fund family in the country, the initial investment minimum falls from $3,000 for a mutual fund to only $1,000 for an IRA. Janus, a smaller, Denver-based money manager, welcomes new IRA customers with only $500.

At T. Rowe Price, the Baltimore no-load group, IRA and custodial accounts for children start at $1,000, and minimums are waived if an investor commits to a savings plan for as little as $50 a month. "We've offered a savings plan for a long time because we think it should be available for people just starting out who don't have much money, or don't want to invest a lot," said Steve Norwitz, a spokesman.



David Suter

In Britain, where far fewer people own funds — an estimated 5 percent of households, compared with more than a third in the United States — money managers are rolling out low-cost plans in hopes of prying individuals away from building-society accounts, the traditional repository for savings.

ABSOLUTE BEGINNERS

M&G, the country's largest manager of mutual funds — called unit trusts in Britain — has 16 stock and bond plans in which individuals can invest up to £6,000 ($9,800) a year without paying taxes on dividends and capital gains.

Under M&G's savings plan, investors can put £50 a month into a Personal Equity Plan, or PEP, debited directly from their bank accounts, or as little as £1,000, if a lump sum. There is no minimum initial investment, and no withdrawal fee after five years. "You should hold it that long anyway, especially if you're in equities," Mr. Jennings said.

Although the low monthly minimum would seem a draw younger investors, so far most of the participants are 45 or older. "Younger people just don't have the idea that they might lose their job, or that they will want a better lifestyle when they're retired," Mr. Jennings said.

Fidelity Investments also is courting the first-time British investor, but with a different tactic. Its no-load Money Builder plan requires a comparatively steep initial investment of £3,000.

"We think it's a reasonable threshold," said Paul Kafka, a spokesman. "You have to kick-start it with an initial lump sum." The program includes a cash fund, and three unit trusts, dedicated respectively to income-producing investments such as bonds, the leading British stocks in the Financial Times-Stock Exchange 100-share index and international equities.

Fidelity has introduced a similar no-load plan in Germany, where it is called Capital Builder. Sold directly to investors, it requires an initial investment of 4,000 Deutsche marks ($2,400).

Although German banks sponsor 80 percent of the country's fund market and require as little as 500 DM for an initial investment, Fidelity is sticking to its strategy. "The minimum is less crucial than questions of performance and other fees," said Sven Kohlbrodt, marketing manager for the Continent. "Our target is the other 20 percent who want better returns."

Another American money manager that has sold funds in Germany for 25 years, Pioneer Group, markets only through brokers and independent financial advisers, offering a savings plan for as little as 300 DM a month.

Direkt Anlage Bank, a discount brokerage owned by Bayerische Hypotheken- & Wechsel-Bank AG opened its doors just two-and-a-half years ago, and now boasts 25,000 customers. Modeled on the highly successful mutual fund "supermarket" run by Charles Schwab & Co., the U.S. discount brokerage, it offers nearly 900 no-load and reduced-load funds, mostly from foreign money managers, plus German funds—but no advice.

Direkt Anlage's savings program does not require an initial investment and starts with as little as 250 DM a month. "That's what we advertise, but we'll accept a customer who wants to do 100 DM too," said Franz Obermeyr, Direkt Anlage's general manager. To participate in the savings plan, a customer must also open a simple deposit account with the bank, though Mr. Obermeyr said that would cease to be a requirement this year.

Savings-plan participants must chose their investments from a list of Direkt Anlage's 100 best-selling German and foreign funds.

In Asia, no-load mutual-fund investing has been slow to catch on. Among the few no-load funds that exist is the Manulife Global Fund in Hong Kong, which requires a minimum nvestment of $5,000. For investors looking for bigger families of funds and the ability to switch into a wide range of market, the cost goes up. The Templeton family, whose entrance requirements are among the lowest, requires a minimum investment of $1,000 but levies a front-end sales charge, or load, of 5.5 percent.

With mutual-fund prospects limited, direct investing deserves a look. Although brokerage accounts in Asia tend to be expensive, requiring opening balances of $5,000 or more and offering meager interest on uninvested funds, banks offer the small investor a reasonable alternative.

At HongkongBank, the colony's biggest and best-known depository institution, anyone who has a savings account can open a brokerage account with minimal fees and required deposits. The big problem here is that most small investors must physically go to the bank to trade stocks.

For investors outside Hong Kong, the territory's lack of capital controls means that, from the bank's perspective at least, anyone can open an account and trade Hong Kong or foreign shares in separate accounts.

For information about Direkt Anlage Bank, call 0180 225-4500 in Germany, 157-0190 in Switzerland and 0660 8160 in Austria.

For information about Fidelity funds, call 44 1732 361 144 or check local directories.

To open an account at HongkongBank, call 852 2822 3156; for information on foreign-share accounts, call 852 2822 3140.

For information about M&G, call 44 1245 390 390.

For information about the Manulife Global Fund, call 852 2501-9100.

For information about T. Rowe Price funds, call 1 410 547-2308, or, in the United States, 1 800 638 5660.

For information about Pioneer, call 49 40 53 89 17 0.

How Paris Resident Bought U.S. Shares Direct — and Lived

A growing number of American companies are allowing international investors to bypass brokers and buy shares directly, usually with minimal or no commissions and fees.

About 190 companies have direct-purchase programs, up from 90 a year ago. Several thousand companies are expected to sell shares of stock direct to the public over the next 20 months. Combined with dividend-reinvestment programs, offered by around 900 companies, this is being promoted as a painless and inexpensive way for individual investors to buy and sell shares.

While many of the direct-purchase programs are open to non-Americans, there are issues in cross-border investing that can make it difficult for people overseas to take advantage of these plans. Barbara Wall, who lives in Paris and is not an American citizen, spent the last several weeks investigating how the plans work for non-U.S. investors:

As a first-time investor I assumed that direct investment would prove time-consuming and complex. In effect the buying process was relatively straightforward, though it did involve a fair amount of form-filling and leg work.

My first port of call was the National Association of Investors Corp. in the Detroit suburb of Madison Heights, Michigan. NAIC has joined the dividend-reinvestment programs of more than 150 corporations. Club members can deposit money in any of these plans by completing a form, available from the NAIC, and sending it, along with their first investment, to the corporation's headquarters.

My budget was limited to around $150, so I chose one share of Chesapeake Utilities Corp. and one share of Eastern Utilities Associates. Both offer consistently high yields and appeared to have reasonable growth prospects.

The prices of Chesapeake Utilities and Eastern Utilities, as quoted in the International Herald Tribune on Nov. 6, 1996, were $17 and $16, respectively. I had to add $10 for each purchase to cover price fluctuations and a one-time set-up charge of $7 per company. As I was not a member of the NAIC, I also had to pay a $68 fee to join. The total cost came to $135. Then came the tricky part: finding a suitable means of paying for the purchases. Having spent a thoroughly miserable day trawling the local banks with a screaming baby in tow, I opted for traveler's checks, which turned out to be by far the cheapest option.

The local post office charged me a 16-franc ($2.89) commission on the checks and a flat fee of 30 francs to send them by registered mail. Although I had to buy $150 worth of traveler's checks — they were only available in $50 batches — this still worked out cheaper than a foreign currency check or bank draft.

Within two weeks I received descriptions of my chosen programs, an enrollment number, details of how to make future share purchases, and two authorization cards, which I completed and sent back to the NAIC. On January 6, NAIC wrote to confirm that the investments had been made and the shares transferred to my name.

The whole process took slightly under two months. The exercise was more expensive than I had anticipated because of the cost of NAIC membership. My main criticism, however, is that there was no mention in the NAIC literature of the tax implications for foreigners of trading in U.S. shares.

The United States imposes a withholding tax of 30 percent on dividend payments from U.S. companies. This tax may be reclaimed if the United States has an appropriate tax treaty with the investor's country of residence. To reclaim the tax, investors must file a U.S. income tax return. They must also complete a special form, called a W-7, to get a tax ID number. Non-U.S. residents are not normally liable for capital gains tax on the sale of U.S. shares.

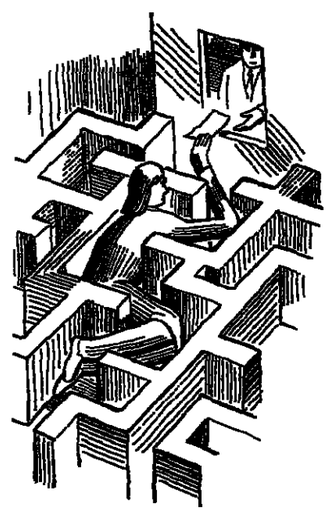
Having successfully tackled dividend-reinvestment programs, my next task was to invest in a direct stock-purchase program. I decided to speak to First Chicago Trust, one of several American transfer agents retained by U.S. companies to administer their share-purchase plans.

I was informed that the Web site for NetStock Direct Corp. was the best source of information on direct share-purchase plans and dividend-reinvestment plans. On sensing my dismay — I have not quite got to grips with the Internet — First Chicago Trust promised to send the necessary forms by mail as a backup. Feeling brave that evening, I commandeered a friend's computer for a few hours and set to work. If you know what you are looking for, NetStock Direct's home page is a treasure trove for direct investors.

For example, the "direct investor" icon provided access to a list of all the companies that currently offer direct share-purchase programs, while "on-line access" showed me how to enroll in some of these programs electronically. I also visited the direct stock-purchase plan clearinghouse, where you can request, by e-mail, up to 90 plans.

Currently, only five companies have on-line access. They include Ameritech Corp., Amoco Corp., Equitable Cos. and Enova Corp. I chose to invest in Equitable because of the financial-services company's track record and reputation. Moreover, there were no fees or commissions to pay. Some corporations charge a nominal fee of between $1 and $20 for initial purchases.

To find out more about Equitable's



direct-purchase plan I went to on-line access and from there got into the company's home page. I completed and printed out the interactive enrollment form and sent it off to the address provided with traveler's checks enclosed for the

Continued on Page 17

Buying Czech Stocks: Kafka Would Be Proud

OTC Market Is Complex, and Returns Unsure

By Peter S. Green

WHEN the free-market reformers of the late Czechoslovakia conceived their vision of mass privatization, they saw it as a program offering stocks for everyone. And, at first, it seemed to live up to that promise: About 8 million people — more than 80 percent of those eligible — became shareholders.

To help all these little guys play the market, the Czechs set up an electronic over-the-counter trading floor where anyone could come to buy and sell shares.

The liquidity and anonymity of the OTC market, called the RM System, had made it famous as the place where rubes were legally fleeced of privatization shares by con men and arbitrageurs who bundled the shares and sold them at vast premiums to strategic investors, takeover artists and others.

Add to this the Czech market's reputation for opacity and unenforced regulations that has scared away most foreign portfolio investors, and it was no wonder that after seven years in Prague, I had never played the market.

But the Czech market was up more than 25 percent last year, despite a miserable fourth quarter, so last Tuesday I decided to plunge in.

I cashed a check at American Express and took 5,000 korumy ($180) down to the local RM System branch — a swankily converted pizzeria shining with brass plate and polished mahogany veneer. A small electronic billboard slowly scrolled the day's fixing.

Of course, in Kafka's hometown, I could not just buy shares. The process all told, took me less than two hours, but it was complex.

First, a helpful young man behind the counter told me that as a foreigner I would have to register at the local Securities Center for an identification number, as I had no Czech national identity card to use. A 10-minute trudge through the slush took me to a small street-side office where a friendly young woman named Andrea asked for my passport and helped me fill out the forms.

Half an hour later and 454 korumy lighter, I had my number. Returning to the RM System office, I opened my brokerage account. Of course the RM offices no longer take cash deposits, and as checks and credit cards are rare in the Czech Republic, I had to go up to the corner and deposit my nest egg in an RMS account at a nearby bank.

The next day, I would be trading. Visions of millions in profits from the rising Czech market danced in my head as I walked out the door and into a very long line at the bank.

My money finally deposited, I hit the phones. Broker friends recommended diversifying my portfolio.

"5,000 korumy," mused one adviser. "I would split the portfolio into funds and underlying shares. With funds you can buy the whole market at a substantial discount to net asset value.

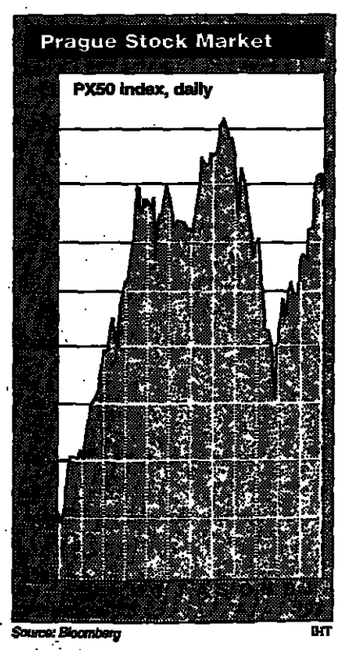
"And you want to stick with blue chips, because they're the only shares that are liquid," he went on. "Small companies might look great on paper, but as a small shareholder you don't have much protection."

"Buy blue chips, but wait two weeks, the market's going down," said a second broker when I asked him how to invest.

"Buy a new suit," said a third.

Combining my pals' tips, I drew up a list of the three stocks into which I would plow my nest egg:

- Restitution Investment Fund, a privately managed vehicle that holds state stakes in companies that were returned to their pre-Communist owners and that was trading at about half the value of its constituent shares;
- IKS KB Plus, a privatization fund



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For Investment Clubs, Discipline Pays

By Barbara Wall

WHETHER you are a stock-market novice or a seasoned investor, forming an investment club — a sort of do-it-yourself mutual fund — can be a useful way to learn more about stock selection while having fun and seeing your investments grow. Or so goes the theory.

Club members contribute agreed-upon sums, often monthly, and meet to decide what investments to buy and sell. Most of the organizations have elements of social clubs, which can make them fun to belong to although at the risk of limiting profitability.

The Money Report has profiled several of these clubs, and this week we check in with three of them. What we found was that when a club identifies and maintains a sensible strategy, it prospers — but those that are more relaxed stand to lose money.

The Victoria Investment Club of Cornwall, in England, is celebrating a rare coup. Its 17 members recently took part in an investment challenge sponsored by ProShare (UK), an independent body that represents British investment clubs. The Victoria club beat investors at NatWest Stockbrokers, winning a prize of £5,000 ($8,100).

What makes this achievement all the more remarkable is that until recently the club's investments have not been very successful. When the club was mentioned in a Money Report article in October 1995, it was running at a loss. Derek Richards, the chairman, acknowledged that there was too much chitchat and not enough serious work being done.

Mr. Richards said investment performance started to pick up when the members decided to treat the venture like a business instead of just a social club. "The members agreed on a definitive investment strategy and stuck with it irrespective of market movements. Rather than invest piecemeal in a mixture of blue-chip, medium-sized and small companies, we decided to concentrate solely on small companies and limit our investment in each stock to £1,500," he said.

"The club also decided to get rid of stocks that were showing a loss. In the past we held onto loss-making companies in the hope that their performance would eventually improve."

The club currently holds eight stocks. In 1996, the club made an overall gain of around 30 percent. Members are looking at several new investment possibilities for 1997, including Flying Flowers Ltd., a British mail-order company listed on the London exchange, and T.V. Corp., a television production services company.

The Sirens, an all-women investment club from Oxford, in England, was featured in The Money Report early last year because it had been awarded the ProShare prize for the most promising new investment club of 1995.

The club maintains an ethical investing philosophy. It will not, for example, invest in any company linked to tobacco production, defense and the exploitation of animals or Third World resources.

In recent months, the club has not been doing very well. Profits are down and club morale has suffered as a result. Beverly Chisnall, the chairman, said the club was a victim of its own success. "We got carried away with our initial good fortune and started cutting corners. Reseach was not as thorough as it could have been and several poor investment decisions were made," she said.

The club decided to get rid of most of its recent holdings and more or less start from scratch. Rather than invest hundreds of pounds in individual stocks, members agreed to save up and invest larger amounts, up to £3,000 in some cases.

The Sirens' top holding is in National Express Group PLC, a British bus company. It is also looking to invest a significant sum in Oxford Instruments PLC, a medical-equipment manufacturer. "We try to invest in local companies as much as possible. Some of our members know this Oxford Instruments very well and are confident in the management team. The balance sheets are also encouraging," Ms. Chisnall said.

Few investment clubs that have been going for more than five years can claim to have had a trouble-free run. The Taffy Investment Club of Kansas is a rare exception. The club, which comprises four generations of the Taylor and Andrews families, boasts an average annual return of 25 percent. Even more remarkable, the club has never had an unprofitable year in its decade-long history.

Robert Taylor, who, at 76, is one of the oldest club members, describes the club's investment strategy as "conservative" and "long-term." He said: "We buy established companies with good growth prospects and hang onto them through thick and thin." The club's first purchase, Home Depot Inc., is still in the portfolio.

Mr. Taylor admitted to being "pretty nervous" about the current state of the U.S. stock market. The club has decided to look at defensive stocks in the next few months to guard against a likely downturn. Topping the list is Exxon Corp., the oil and gas giant: "We think that the consumption of these commodities is going to continue to grow."

For further information on investment clubs, contact the World Federation of Investors Corp., S-11389 Stockholm, tel 46 468 457 1500, or ProShare Investment Clubs, Library Chambers, 13& 14 Basinghall Street, London EC2V 5BQ, tel 44 171 600 0984.

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INTERNATIONAL FUNDS

January 24, 1997

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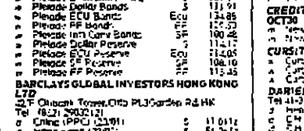

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THE MONEY REPORT

'Uneven Disclosure': Wall Street's Open Secret

By Gerard Meuchner

GENERAL Motors Corp. gave a welcome warning last month to a few close friends. One by one, the automaker called analysts at top brokerages Dec. 18 to say that fourth-quarter costs would be higher than expected.

Word was quickly passed to big clients, whose sales of GM stock sent the shares tumbling $1.375 on a day when the Dow Jones industrial average rose 38 points.

Other investors had to wait until the next day — when nine analysts cut fourth-quarter earnings estimates — to find out what GM had said in private.

Almost daily, companies ranging in size from GM and Pharmacia & Upjohn Co. to less-known Pioneer-Standard Electronics Inc. and Vantive Corp. tell certain investors and analysts that bad news is coming, giving them a chance to bail out.

"The game is rigged," said Michael Lorberblatt, a New York artist who owns 126 GM shares. "I'm getting screwed."

GM says it did nothing wrong and that its calls to analysts did not give anyone an advantage. The automaker saw no need to issue a news release, a spokesman said, because the information was not important enough.

Mr. Lorberblatt doesn't buy it. "Why would they be calling anybody in the first place?" he said.

Investors looking for help when this happens will be disappointed. The Securities and Exchange Commission and the stock exchanges have no power to stop what one regulator calls "uneven disclosure."

The SEC's main job, for example, is to look for signs that someone wrongly obtained important information that could affect a company's stock price and used it to trade. "The SEC sees its job as being a cop," said Edward Fleischman, a former SEC commissioner.

The stock exchanges, meanwhile, simply push companies to publicly disclose news in some uniform manner, usually in the form of press releases or news conferences.

In fact, doling out timely news to a few investors and analysts is perfectly legal, experts say. "A conference call is the functional equivalent of a press release," said Boris Feldman, a securities lawyer in Palo Alto, California.

Uneven disclosure happens so often it passes with little notice, particularly at smaller companies.

Consider software developer Vantive. On Oct. 17, the company reported third-quarter earnings that exceeded forecasts by 50 percent. The stock closed at $40.75, its second-highest ever.

The next day, the shares plunged 23 percent, all in the first hour of trading. That is because the night before — after the positive earnings were disseminated to the public — Vantive told a small group of analysts in a conference call that revenue growth would slow. Those on the call passed on the warning to their clients, many of whom had their sell orders ready to go when the market opened.

Vantive's chief financial officer, Kathleen Murphy, said she did not understand the stock's plunge because the company only repeated what it disclosed earlier in securities filings.

While U.S. regulators shrug their shoulders at this kind of poor disclosure, officials in other countries are getting impatient with it.

Some Swedish regulators, for instance, got fed up with this practice after Pharmacia & Upjohn on Oct. 31 first publicly issued an uneventful earnings report and then told a small group of analysts and investors by phone something that was left out of that report: Wall Street's 1997 profit estimates were 10 cents too high. On the heels of that call, the drugmaker's shares fell $1.75, to $36, in New York.

The Stockholm Stock Exchange on Dec. 4 said it would not take action against the company, but Pharmacia & Upjohn promised that from now on it would include news that could affect the stock in its press releases.

Sometimes, loose lips in a one-on-one conversation starts the chain of tips that lead to trading advantages for just a few.

Take electronics parts distributor Pioneer-Standard. On Sept. 10, the company's stock fell 17 percent in the first half hour of trading after Robert Damron, an analyst at McDonald & Co., told the brokerage's sales force he had cut his rating on Pioneer-Standard to "hold" from "aggressive buy" because of slower sales.

Mr. Damron, now with Cleary Gull Reiland & McDevitt, was on target with his rating cut because he happened to have a great source for his projection. The day before he put out his bearish report, Mr. Damron learned in a phone call with Chief Executive James Bayman that the company was going to have a disappointing quarter.

That call was a surprise to even Pioneer-Standard's chief financial officer, John Goodger. Minutes after arriving at his office in the morning, with the market already open, the National Association of Securities Dealers' surveillance department called Mr. Goodger to ask why the stock was dropping.

Mr. Goodger checked and found out about the phone call between Mr. Bayman and Mr. Damron. More than four hours later, Pioneer publicly announced that sales and earnings in the second financial quarter would be lower than a year earlier.

Bloomberg News

BRIEFCASE

Scudder Gets 'Hands-On' With Fund Advice

Scudder, Stevens & Clark Inc. is offering a new financial advisory service to mutual fund investors, competing against the likes of Fidelity Investments and Vanguard Group, which have similar programs.

Boston-based Scudder will introduce a fee-based program to offer advice to mutual fund investors about how they should allocate their assets.

"A growing number of investors are consistently asking for more guidance and 'hands-on' management of their mutual fund investments," said Mark Casady, director of Scudder's U.S. mutual fund group.

The program, called Personal Counsel, is aimed at investors who can commit $100,000 or more as an initial investment, Scudder said. Investors will pay a fee equal to 1 percent or less for a portfolio's assets, the company said.

Vanguard introduced a service in May similar to Scudder's that offers customers a mix of investment advice, estate and retirement analysis, as well as trust administration. *(Bloomberg)*

Leaving So Soon? That'll Be 2%, Please

American Century Investments has a new mutual fund that penalizes investors who think short-term.

The Twentieth Century New Opportunities Fund will charge extra fees to any investor who pulls money within five years of buying shares of the fund. The fees equal 2 percent, or $20 per $1,000 withdrawn.

The plan has already drawn criticism from analysts who see the fees as a form of coercion.

"It's a marketing gimmick designed to get people to invest for the long term," said William Dougherty, president of Kanon Bloch Carre, a Boston-based industry consulting firm. "But, is it fair?"

"These fees are designed to make sure people keep their money invested," said Geoff Bobroff, an independent industry consultant in East Greenwich, Rhode Island. "If the markets crater, however, people will run for cover no matter what the fees are."

Executives at Kansas City-based American Century, which used to be called Twentieth Century Mutual Funds, said the 2-percent redemption fee emphasized the company's position "that investors should have at least a five-year time horizon," said Christopher Doyle, an American Century spokesman.

The fund, which opened Jan. 1, is limited to investors who already have at least $90,000 in assets with the company, Mr. Doyle said. The fund also requires a minimum initial investment of $10,000, which is above average for U.S. stock funds. The maximum an investor can put in the fund is $500,000, and the management fee is 1.5 percent, he said. The average management fee for a U.S. stock fund is closer to 1.4 percent.

The extra fees will protect existing investors from untimely redemptions, which could hurt the performance of the fund by forcing the managers to sell securities they many not want to sell, Mr. Doyle said. *(Bloomberg)*

A One-Fee Program For Infrequent Traders

Merrill Lynch & Co. has started offering U.S. clients securities trading, mutual funds and financial planning for one annual fee.

The new program, called Merrill Lynch Financial Advantage Service, was offered to some clients on a trial basis three months ago.

Clients who use the program will not pay brokerage commissions for a limited number of trades and will get financial advice and price reductions on other services such as margin loans and mortgages.

Smith Barney Inc., the second-biggest U.S. brokerage, began offering a service similar to Financial Advantage this month.

The moves come as investors flock to so-called fund supermarkets, which offer the choice of a variety of mutual funds.

Financial Advantage is designed for investors who may not trade stock and bonds frequently, but have several brokerage or mutual fund accounts and are interested in financial planning.

Clients with between $100,000 and $250,000 in their accounts get 12 commission-free trades a year, a Visa card, an analysis of retirement and college investments and access to the brokerage's stock and bond research for a fee equal to 1.5 percent of assets.

As clients keep more money in their accounts, their fees go down and commission-free trades and financial planning services increase. *(Bloomberg)*

Playing the Czech Republic's Fledgling OTC Market

Continued from Page 15

run by the country's largest bank, Komercni Banka;

• One blue-chip stock, the Czech electric utility CEZ.

Wednesday morning at the RM-System office, another friendly and helpful young man explained the rules and commissions. I could pick a bid price and, depending on how large a fee I paid, my offer could stand for up to 90 days.

I opted for the simplest method: I would offer the average daily price in the electronic "midnight auction," an overnight computer matching of bids and offers that operates on a split-second, first-come-first-served basis, but larger orders are filled first. RM also offers a real-time trading day from 11 A.M. to 3 P.M. On Friday, I could come back and see if my bids were accepted in the computer auction.

"You could also trade by yourself, if you like," he said. Then the friendly and helpful young man sent me upstairs to a virtual trading floor, where a half dozen computer terminals can be leased for 10 minutes at a time and 20 koruny a minute for investors who want to do their own trading.

The computer cubbyholes were filled with young college-age men running what appeared to be briefcase brokerages. A mobile phone sat at almost every terminal along with a sheaf of scrawled papers and an open copy of the day's stock table.

Friday morning, I found I'd struck gold: I'd bought RIF at 975.50 koruny and it was already up to 1,002 on the RM-System. I'd bought the KB Plus shares at 196.5 koruny and they shot up to 203. My offer for a single share of CEZ still had not been filled. After the 72.70 koruny in commissions, I had already made a massive 39.30 koruny.

Buying stocks through the RM-System is a time-consuming business, it cannot be done at a distance and it requires a working knowledge of Czech.

Several reliable brokers in Prague will handle small accounts. Komero is one of the largest Czech brokerages (tel: Robert Stuck or Jan Kvapil at 42-2 2449 8267/8238; fax: 2449 8256; e-mail: komero@komero.anet.cz.

Pioneer offers several local Czech funds available either directly (tel: 42-2 2440 1424; fax: 2424 8635/8632) or through other brokers.

Oesterreicher & Co., is a small brokerage with attentive and personalized service. Oesterreicher opens individual portfolio accounts starting at 100,000 koruny (tel: 42 2 2422 8444; fax: 2422 8442; e-mail: oestco@login.cz).

Information Sources For Investors

•New York Stock Exchange publications include: **Understanding Stocks and Bonds; Understanding a Financial Statement; Glossary of Financial Terms** and **Getting Help When You Invest.** Cost: 50 cents each, plus shipping. Tel: 1 516 454 1822. NYSE, P.O. Box 5020, Farmingdale, New York 11734.

•The London Stock Exchange publishes **An Introduction to the Stock Exchange** and **How to Buy and Sell Shares**, available free. Tel: 44 171 797 1000. Similar information can be obtained in Paris, tel: 33 1 49 27 10 00; in Frankfurt, tel: 49 69 21 01 0 and in Tokyo at 81 33 666 01 41.

•The U.S. Securities and Exchange Commission publishes **Invest Wisely.** Tel: 1 202 942 4040. SEC, Washington, D.C., 20549. Web site: http://www.sec.gov

•American Association of Individual Investors' guide **Investing Basics.** Cost: $15 (booklet) or $129 (video). AAII, 625 North Michigan Avenue, Suite 1900, Chicago, Illinois 60611. Tel: 1 800 428 2244.

•The Investment Company Institute in Washington, D.C. publishes a directory of mutual funds which includes a 20-page introduction to the business. Cost: $8.50. ICI, 1401 H Street NW, Suite 1200, Washington, D.C. 20005.

•In Japan, investors can contact the Investment Trust Associations of Japan, tel. 813 3667 7471.

•Recently published books include **"The 10-Minute Guide to Mutual Funds"** by Werner Renberg (Spectrum/Macmillan, U.S., 1996, $10.95) and **"The Common Sense Guide to Mutual Funds"** by Mary Rowland (Bloomberg Press, 1996, $19.95).

•Fidelity's **"Common Sense Guide"** series includes **"Getting to Your Goals"; "Getting Started with Mutual Funds"** and **"Understanding Bond Funds."** U.S.-based investors can contact 1 800 544 8888. In the U.K. call 0800 41 41 71. German investors should call another U.K. number: 44 1737 838 511. Investors in Asia can contact Fidelity in Hong Kong. Tel: 852 2629 2629. Web site: http://www.fidelity.com

•T. Rowe Price issues a 20-page personal finance guide directed at novice investors. Contact: 1 410 345 2124.

U.S. Shares Direct From Overseas

Continued from Page 15

minimum initial investment of $500.

I was advised that on receipt of my application form and check the plan administrator would purchase shares on my behalf within five business days. Within two weeks I received notification of the transaction and a shareholder welcome package. As I have elected to reinvest all dividends, I should receive quarterly statements listing all transactions.

Although both types of share-purchase program are relatively easy to participate in, I was put off by the tax hurdle. Even if I do get a U.S. tax ID number, some tax will still be withheld on dividend payments. Transacting business in a different currency was also frustrating.

The spokesman for First Chicago Trust said it would become easier for foreigners to participate in these plans toward the end of this year, when companies start accepting payments electronically. Better still, why don't companies accept foreign-currency checks and offer to shoulder the cost of conversion to dollars? This would certainly get my support!

For more information about direct purchases of U.S. stocks from overseas, contact the National Association of Investors Corp. at 711 W. 13 Mile Road, Madison Heights, Michigan 48071, tel: 1 810 583 6242.

NetStock Direct Corp.'s Web site is: www.netstockdirect.com

Fund Firms and Banks Target the Youth Market

By Digby Larner

HERE is a mutual fund you might be interested in. In the two-and-a-half years since its launch it has returned 30 percent, beating the Standard & Poor's 500-stock index in the same period by over 6 percent.

That alone sets it apart from many similar funds. But what really marks this fund is that its average investor is nine years old.

Steinroe Mutual Funds of Chicago devised its young-investor fund as a way of educating and involving children in the business of investment, said a spokeswoman, Marilyn Morrison.

Kids receive a quarterly newsletter called the Dollar Digest, which gives information about financial topics and keeps them up to date on the fund's performance.

Officially, investments in the fund are owned by the child's parents, as the age of majority is either 18 or 21 depending on where in the United States the child lives. Even so, the Steinroe fund piques the interest of its young savers by investing in businesses they can relate to. McDonald's Corp., Toys 'R' Us Inc. and Walt Disney Co. are a few of the major businesses heading the list.

Charges and investment minimums are pitched low to appeal to the average kid's savings budget.

The fund has no load, though there is an annual management charge of 1.25 percent. Unlike many other mutual funds, where minimum investment is over $2,500, the Steinroe fund can be opened with only $100 provided investors agree to make regular savings of $50 a month until they have $1,000 saved.

A handful of other U.S. investment companies have launched mutual funds aimed at kids. Among them are the AIG Children's World 2006 fund, with others from American Century Mutual Funds and American Express Co.

Elsewhere, fund managers have yet to make serious forays into the first-time investment market. Of 1,700 mutual funds marketed in Britain, only a handful offer special terms to young investors.

Mark Dampier, a British financial adviser and director of Churchill Investment PLC, said there ought to be vehicles geared for young investors.

"I'm sure that at some stage in the future it has to happen, and it's really up to mutual fund managers to promote a savings culture among youngsters," he said.

He added that part of the problem was "the way many funds are structured. Most have investment minimums that are way above the levels youngsters can afford."

Fidelity Investments is one of the main exceptions. Early last year it launched a range of funds called Moneybuilder aimed at first-time investors. The fund, however, has a relatively high minimum of £3,000. "We have decided against offering lots of perks," said Jo Roddan, a Fidelity spokeswoman. "Instead we are hitting the road with a nationwide seminar tour in February to show both new and experienced investors how to make the most of their money."

In fact, British banks are more implanted in the youth market than are mutual fund managers, offering first-time investors a range of perks.

National Westminster Bank offers 13- to 16-year-olds a checking account and an investment account. Both aim to encourage youngsters to get into the habit of saving and pay them a variable interest rate. At age 16 young clients can apply for a checkbook and eventually graduate to a full account.

Lloyds Bank has a special youth account for 16- to 20-year-olds. Justyn Smith, a spokesman for the bank, said the bank usually offers special packages at busy periods, "when youngsters are either graduating or starting university," he said.

This year youngsters opening accounts with the bank were given vouchers worth £30 ($49) to spend in Britain's Our Price music store chain. An interest-free £700 overdraft was made available to students, and accounts in credit got a preferential interest rate of 3 percent.

Barclays Bank has a number of youth accounts. Like Lloyds, it places emphasis on university students, providing them with personal advisers to help manage their cash through university, and graduate business managers to help them find their feet financially in their first jobs, said Di Skidmore, a spokeswoman.

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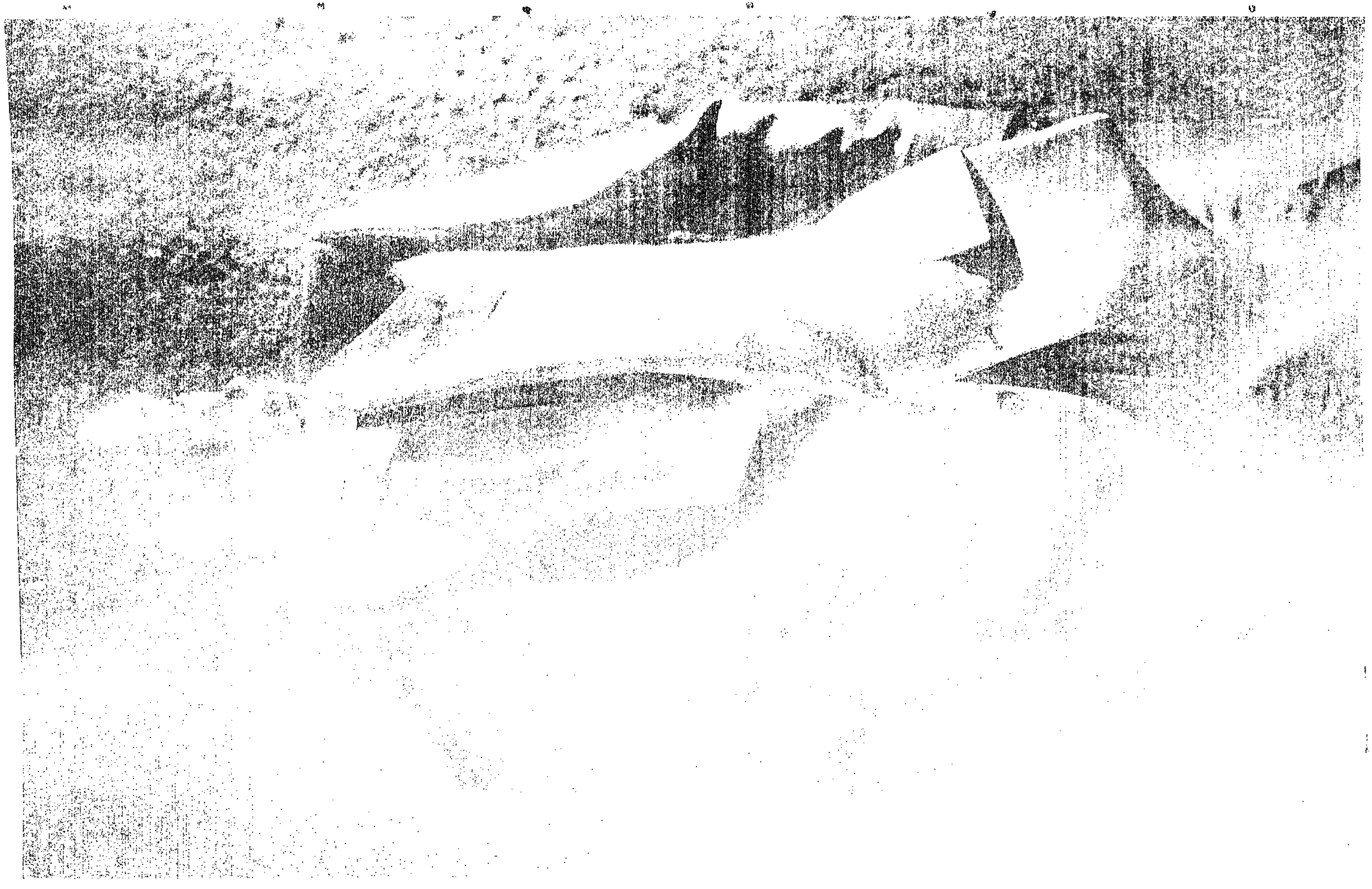

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Men's Fashion

Men Making a Dash For Comfort Stations

Fluffy, Hairy, Velvety and Easy Replace Hard-Edged Urban Cool

By Suzy Menkes

PARIS — Millennium style was supposed to be about hard-edged urban cool. But after a few seasons of trading in wool for nylon or vinyl, men's fashion is running for the comfort stations.

Fluffy mohair sweaters in hot colors closed Paul Smith's fall show on Thursday; hairy coats in lacquered fake fur made a dramatic finale from Yohji Yamamoto. And the French men's fashion season, that runs through the weekend, has already shown more velvet than you would find on all the theater seats on Broadway.

Comfort and ease made the news at the early shows, where jersey was used for pants and for zippered jackets that were as soft as cardigans. Flannel, with its soft touch, was preferred over hard, dry fabrics like flat wools. For pattern, think window-pane checks.

There is a certain loosening up, too, of the silhouette. Although pants are mostly narrow and flat-fronted, jackets are literally less buttoned-up, with two buttons often replacing the high-to-the-breastbone two or four. And because the suit is now worn for all seasons and reasons — usually with a gleaming dark shirt and shiny tie — it has lost its formal look.

Paul Smith had reptilian suits to give zest to a well-measured collection, based on color and texture. It opened with zippered shearling or furry jackets in vivid colors — symbolic of the soft surfaces and bright shades that dominated the show.

You like velvet? Smith had it fine and dandy in peacock colors or ridged and waffled for a more rugged effect. You will never be a man in a gray flannel suit? Maybe not if it is overlaid with pink or orange window-pane checks as though an artistic child had been at work with crayons and ruler.

While Smith has a youthful merriment to his collections, he keeps to classic proportions for brief coats and long jackets. And his paisley or rose-patterned shorts had just a hint of modern romance. That appealed to the British ambassador, Sir Michael Jay, sitting in the front row showing off his Paul Smith brocade tie.

Yamamoto unleashed the artist in him — so the show took a funky, youthful direction — not least because all the floppy-haired young models looked like schoolboys. French pupils maybe, for they wore jaunty berets, above their loose-ish suits with flared pants — a scarf flung nonchalantly around.

Then POW! Out came suits harlequin-printed à la Picasso or a coat patterned in geometric Piet Mondrian squares, with matching sweater. Those shock tactics ushered in more subtle artistic ideas, like piping on collars and pockets and honeycomb-patterned knits with rolled hems. Jersey tunic tops and those hairy coats added to the cuddle factor.

John Rocha hit fashion target with his tactile show of peat-brown velvets and shiny brocade pants, a neat take on the cultural background of the Hong Kong-born, Irish-based designer. His velvets were furrowed or even wicker-printed, which gave a rugged, rather than a dandy, feel to the slim tailored coats and pants, worn with Oxford shoes with tweed uppers.

Modern comfort was the mantra at Rykiel Homme, where the V-at-the-throat sweaters were super-fine, even when the effect was tweedy. To soften tailoring, zippered jackets had knitted sleeves or backs, and knit polo shirts were worn with suits. The designer Thomas Maier used stretch fabrics for sportswear, but the soul of the house is in the knits — strong with graphic blocks of neutral colors.

At Issey Miyake, designer Naoki Takizawa just tried too hard to impose his Fauvist theme. It was fine to take the cobalt blue and orange of André Derain's paintings and use them for simple pants or sweaters. But art patterning jeans and jacket looks forced. The show scored with its inventive use of fabrics, from the fuzzy patches on sweaters to felted coats given a silvered surface.

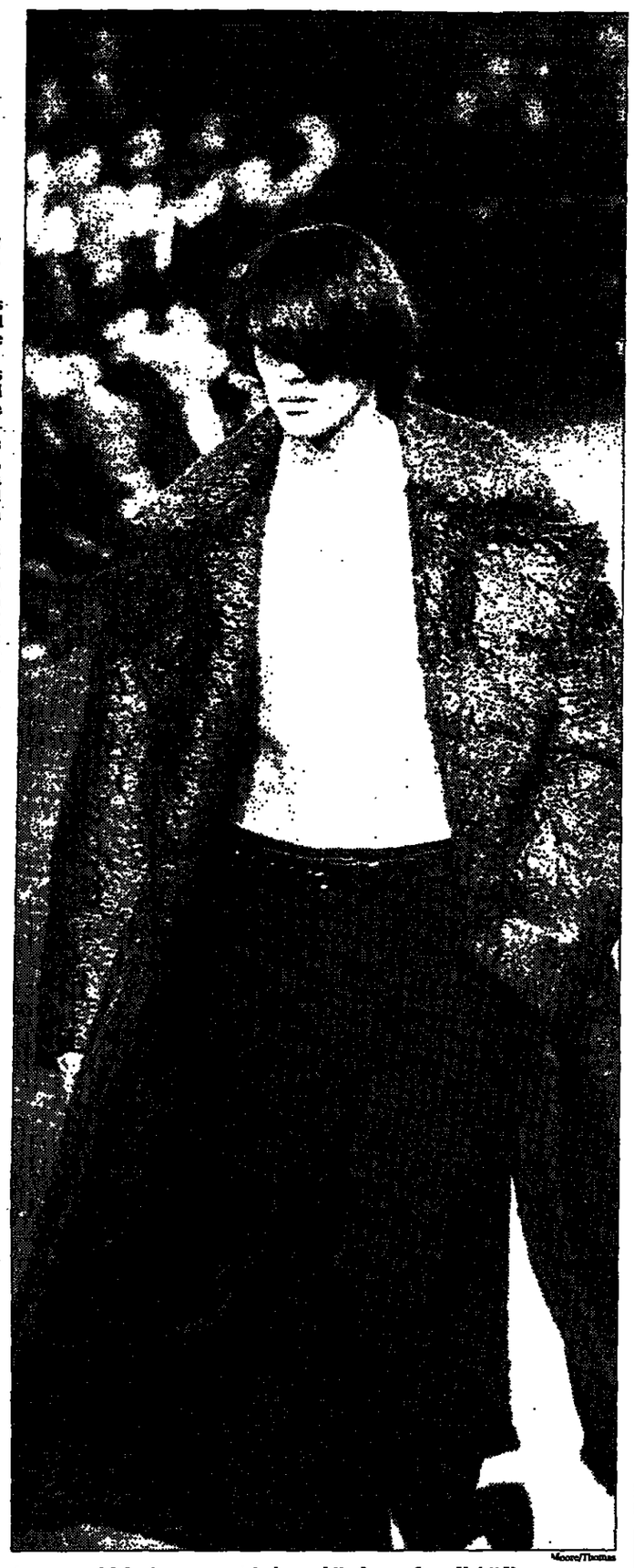
OUTERWEAR is a strong story for the fall. The fur-trimmed hood on a parka was the all-weather look at Lanvin, where designer Dominique Morlotti also had rugged and hairy sweaters and soft zippered cardigans. His conventional tailoring included current trends: fly front jackets; the short car coat; and a mid-calf length.

Conventional is cool — that was the message from Udo Edling, a Romanian designer making his debut collection, showing a nice color sense in the peacock blues and cranberry of sharply tailored car coats.

"Street look is out," was the definitive program message from Hugo — the hip line of Hugo Boss. So in its sleek show on Friday, nothing was mismatched. Monochrome color stroked the body for short coats with matching pants or for ribbed sweaters tucked into slim stretch pants. Fabrics included the inevitable velvet, in rich colors, and suits in loden which has taken on an urban edge.

The French fashion season includes the SEHM trade fair alongside the designer runway shows. It kicked off with a tour of the fashion museum at the Louvre, hosted by Jean-Louis Dumas of Hermès, the new president of French menswear's ruling body.

SUZY MENKES is fashion editor of the International Herald Tribune.



Moore/Thomas

Lacquered fake fur coats with the cuddle factor from Yohji Yamamoto.

Moore/Thomas

Giorgio Armani's velvet shirt and new flat-front narrow pants.

Sex and Single Guys Strut Into Limelight

A Youthful Look With Attitude

MILAN — We have had singles bars, happy hours and vacations for single folk. And now men's fashion is in on the act. An inescapable theme of last week's Milan shows was sex and the single male.

The significant trends were all about peacock plumage: skinny pants gripping the hips and drainpipe-thin on the legs; sweaters that clung to the pectorals or were semi-transparent.

Narrow-cut suits came in stroke-able velvets. Short coats emphasized the male torso. Even when the clothes had a hip looseness, they were shown on fragile young males with attitude.

You might define such fashion as clothes for men who want to signal that they are available.

"Fashion is all about mating," claimed the designer Tom Ford after a Gucci show in which he had loosened up the silhouette but still gave his models a predatory swagger. They wore pants that hugged the hips above the flares and shirts slopped open in a louche way under suits.

Not since the 1960s — when the silhouette was also sexually provocative — has there been such a generational divide between clothes for men who are prepared to flaunt it — and regular guys for whom clothing serves as camouflage.

Even Giorgio Armani, who made the slouchy suit into a grown male's comfort blanket, had re-cut his fall silhouette on leaner, meaner lines, showing flat-front pants, fitted suits with in-built stretch and dashing velvet shirts.

"Superficially, looking sexy is about muscles and a beautiful body, but it is also about a well-cut, carefully honed suit," said Armani. "What is a bit finished is that traditional old England look of relaxed man in cashmere sweater and checked shirt — it's not modern life."

Milan fashion was about new generation romantics: Gianni Versace's Harris tweed coats with plaid lining and lapels; Dolce & Gabbana's cranberry velvet suit outlining the male curves; and Valentino's super-fine shirts snaking the body on the bias. Even Prada, in switching from its signature techno nylon to natural fabrics, seemed to have gone for the soft touch.

"Romantic is the wrong word," said Miuccia Prada of her slim-line loden suits worn with crisp shirts and slithering ties. "It's about reviving male vanity."

Think of the strutting glamour of those young lieutenants who set Jane Austen's prim heroines aflutter.

Uniform looks are still hot. Cerruti had a fine twill military shirt tucked into matching pants; Dolce & Gabbana's naval pea coats were thrown a curve; and so was the long slim cleric's coat, seen at Krizia and in the elongated lines of Donna Karan's collection.

Back in fashion too are military mainstays like loden and gray flannel.

THOSE granddad fabrics are sexy? Yes — if the traditional look is cut closer to the body and the attitude ironic. Classic looks even seem more edgy and interesting than the so-called hip or streetwise designs, like techno sportswear or suits shown with garishly colored trainers at Byblos, and Moschino's vinyl suits. When Etro decided to pitch for youth, with the models turning the runway into a rave, the company still used the classy traditional fabrics for which it is famous.

Continued on Page 22

Can One Be Both Modern and a Gentleman?

By John Morgan

LONDON — What makes a modern gentleman? To many people the words "modern" and "gentleman" might appear a contradiction in terms. Describing a modern man is confusing enough, never mind his more recherché pedigree chum, the gentleman.

The very word has an archaic ring to it. It bespeaks of sweeter and nobler earlier times, when qualities such as courage, courtesy and honor were the apogee of male achievement and the social order seemed as secure as sunrise and sunset. Surely the gentleman, and all he embodies, has an ever diminishing place in today's world?

The answer to this is both yes and no. Certainly, modern life has moved many of the old sociological goal posts, but to claim they have been swept away is both simplistic and mistaken. They are just more difficult to divine.

There remain certain abstract ideals, often hard to define, but easy to recognize, that transcend time and social transition. The concept of the gentleman is one of these.

But what are the distinguishing features of this ancient and evolved species today?

The fundamental point is that being a modern gentleman has as much, if not more, to do with conduct than it has with class. This has always been the case in the Anglo-Saxon world, unlike the more inflexible French system where rank and wealth have always been enough to earn the label of gentleman. As Madame de Staël noticed when visiting late Georgian Britain: "You will often hear it said, even by persons of lower class: 'Though he be a lord, he is not a gentleman.'" This attitude remains.

Only last week I overheard a porter at a distinguished apartment block in London commenting about a visiting peer. "He might have a title, but he's an oaf!"

Certainly, much of the lurid and well publicized behavior of the aristocracy proves that high birth is no guarantee of good behavior.

Nicolas Ancin

No, it is in his demeanor that the gentleman both distinguishes and defines himself. He may come from virtually any walk of life, but he will encapsulate a shared way of behaving that is common to other gentlemen. This is because the modern gentleman, like his forebears, is both the product and the producer of tradition. For him the past and its established set of values is his guide for dealing with the present.

This is not to say the gentleman is imprisoned in the past, but his understanding of convention makes him confident enough to rise above some of the more transient and confusing aspects of contemporary life. It is thus that the gentleman is known for his sangfroid in a difficult situation and is characterized by a light touch in the everyday business of his life.

Thus, for the modern gentleman there are few conflicts between ancient codes of chivalry and new diktats of feminism.

Socially, he still expects to stand up for women when they enter the room, yet professionally he would refrain from doing it every time a woman colleague comes into a meeting.

Sartorially, he knows that the Savile Row suit is the sine qua non of men's dress, yet this does not stop him patronizing one of the new tailors, who can combine traditional craft techniques with a contemporary sense of style. This being said, he would never buy a suit that would appear "wide" or flashy and better suited to a game show host.

HE understands the appropriate accessory: thus would not wear a winged collar with a dinner jacket and will always wear "proper" (i.e. fully welted leather soled) shoes and understands that sneakers are just for sport, and nerdy crepe-soled numbers have no role whatsoever.

His approach to jewelry is understated and includes only a watch, cuff links, evening studs and perhaps a tiepin with formal (e.g. morning) dress. Hats, if he wears them, will be sported with aplomb: worn at just the right angle and raised without embarrassment or clumsiness.

In the everyday conduct of his life, the modern gentleman has little need of the absurdities of political correctness, yet he would be careful not be racist, ageist or sexist. He is not xenophobic and never patronizing or rude to people who might be considered his social inferiors, yet he would probably not appreciate his maid or doorman addressing him by his first name.

At parties the gentleman remains a huge asset. Perhaps neither as formal nor as punctilious as in the past, he will still display an ease that leaves the socially challenged standing. Understanding that a good guest has to sing for his supper, he will aim to be entertaining and amusing, will know how to give compliments and make introductions. The modern gentleman, as his forebears before him, uses charm to delight and disarm. He is conversationally agile but never drops names.

Needless to say, he has good manners and employs them to make his and other people's lives more agreeable. He says please and thank you and is a skilled practitioner of the dying art of the thank you letter.

However, in professional life, although never as hungry as a yuppie, the modern gentleman is likely to work a lot harder than was previously the case. In the old days, if a gentleman worked, it was in only a few limited professions and he never made much of a song and dance about it. This was because it was enough to be a gentleman. Today the modern gentleman, despite his winning ways, his undoubted contribution to the art of living and his enduring ethos, has to "do" as well as "be."

JOHN MORGAN is associate editor of the British GQ magazine and the author of "Debrett's New Guide to Etiquette and Modern Manners."

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MEN'S FASHION / A SPECIAL REPORT

Ronald Stoops

At left, urban separates with schoolboy and vintage references from the Belgian designer Raf Simons; at right, jazzy patterned shirt and slim pants from Christophe Lemaire who showed his first full men's line on Friday.

Beyond the Beret and Baguette: Designers Display Contrasting Styles

By Rebecca Voight

PARIS — "French men'swear is elegant, but relaxed. There is always a play of contrast," says José Lévy, the young designer whose label *José Lévy à Paris* leads the pack of boisterous, up-and-coming names here.

Lévy illustrates his point in a strict hunting green jacket with a scrappy sheepskin collar for fall from the collection he will show on Saturday. "I was thinking of an unlucky hunter condemned to resemble his prey," he says with a twinkle in his eye.

Lévy is one of the few in France who has been able to give classic menswear a humorous punchline and stay entirely away from the color black. For next winter he has taken a leaf from French forest rangers, hunters and imaginary animals. His game is in the details, like gold blazer buttons with charade messages. This is done in established tweeds, camels, moss greens and navys. It's only on closer inspection that a prim tweed reveals rubber backing and camel wool pile.

The Romanian-German designer Udo Edling who works here and will present his third show on Friday is also into paradoxical menswear. "I like hidden details," says Edling, "like invisible hand stitching on a nylon shirt collar instead of vulgar topstitching. I want to put luxury in places you would never expect to find it."

Edling's quiet luxury generated comparisons to Jil Sander, but he insists his style is much more French, closer to the body and more tailored. Last fall, his black nylon jacket came lined in cozy cashmere. "I don't think I could design anywhere else but here now. The city has a certain magnetism," he says.

Good vibrations or not, Paris the fashion capital has suffered from an identity crisis of late. "France cannot sit on its style laurels anymore," says Lévy. He and six other young French designers will be featured in a group presentation by Promas, the international promotional arm of the F.M.F. Mode Masculine Française (French menswear federation) at Paris's men's fair SEHM this weekend. This is the first show the globe-trotting Promas has held in France and it will inaugurate SEHM's new fashion show space. Two Paris menswear showrooms will debut this week as well. Carole de Bona, whose Espace, around the corner from Place des Victoires, is a hunting ground for new talent during Paris's women's collections week, will feature seven young men's collections, including Udo Edling and Beaudoin-Masson, both also holding shows there.

Nearby, at the Bourse de Commerce, Tranoï, another established women's showroom, opens its doors with a dozen men's collections, including the hip shoemaker Rodolphe Ménudier and France's Moritz Rogosky.

Christophe Lemaire, who has a successful women's collection, has been showing a limited edition men's line for the past three years and will hold his first men's show this season. Inspired by the cool, minimalist style of jazz musicians in the '60s — Serge Gainsbourg, Jacques Dutronc and beatniks — Lemaire describes his look as "sharp dressing with liberty and definitely not dandy."

On a similar wavelength is fellow French women's designer Jérôme l'Huillier whose men's collection has grown out of his method of designing clothes in terms of couples. L'Huillier has a Frenchman's fascination for American heroes like the filmmaker Nick Cassavettes and the Kennedy brothers. But he leaves the American '60s far behind in his liberal use of color.

Men's designers here, like their women counterparts, are increasingly depending on Asian orders to bolster their fragile businesses. Lévy sells to a score of Japanese stores and recently signed with a top importer there. "The Japanese are the world's most avid fashion consumers," he says. "They don't just buy labels, they're interested in new style."

ALTHOUGH he works at home in Antwerp, the Belgian designer Raf Simons is another Paris enthusiast who has been coming here for the past several seasons to promote his collection with video presentations at galeries. "I like to combine art and business," says Simons, who will hold his first show with a full crew of models which he is busing in from Antwerp this season.

His provocative look is full of vintage menswear details, references to English schoolboys and most recently '80s punks. Simons shirts are in Swiss cotton, but he never makes a suit that matches and he favors old gray "*clochard*"-style wools for coats. His hand-assembled, machine-knit sweaters look like a hybrid of rich and poor.

"Raf has a very special energy because he's still hungry and not pretentious," comments Nina Garduno, vice president of menswear at Ron Herman Fred Segal, the Los Angeles specialty store that mixes European designers and casual style. Although the collection is only in its third season, Garduno has had it in the store for the past two.

Another marginal mover and shaker is Moritz Rogosky who for his fourth collection has played with the kind of flashy eveningwear favored by magicians and the heroes of French police novels like Arsène Lupin. "I was intrigued by the combination of black and purple," he explains. A few days before the show that he will stage in a 1930s restaurant, Rogosky was still searching for white patent leather shoes. Perhaps the best overview of French menswear now is at Panoplie, a small store close to Place des Victoires. Jean-Louis Beamont sells a great deal of Helmut Lang and Dirk Bikkembergs at Panoplie which he mixes with José Lévy, Udo Edling, Christopher Lemaire, Jérôme l'Huillier and other French collections.

"I'm very *cocorico* (French slang for patriotic)," says Beamont. The store has a theme for each season and this spring it's the stiff, quietly eccentric style of the men in the film director Jacques Tati's surrealist comedies from the 1960s.

Beaumont offers no precise definition of French menswear although he says there is a common denominator in the French collections. "Perhaps it's a good thing that French men's style isn't easy to pin down," he ventures. "I don't walk around Paris wearing a beret and a baguette under my arm," says Beaumont, "but there is something very everyday elegant, but very much a part of the street that is typically French."

REBECCA VOIGHT is a journalist based in Paris who specializes in fashion.

French Sportswear Can't Set the Pace

U.S. Labels Dictate Today's Style For International Youth Market

PARIS — If Jules and Jim, characters in the French filmmaker François Truffaut's *nouvelle vague* classic, were on their bicycles today, the only new clothes they might be wearing would probably be by Polo Sport, Calvin Klein and Tommy Hilfiger.

American sportswear brands, once the followers in international youth style, are the current cult labels in France. Their dominance has turned most of what's on offer here into a sea of Calvin wannabees, Tommy takeoffs and Polo adaptions.

An authentic French sportswear label, offering unique, casual style, is perhaps the hardest item to find for retailers scouring SEHM and the other menswear trade fairs held here this weekend.

Instead of home-grown style, young men in Paris go out on the town in secondhand clothes. At clubs like Respect, the weekly house music happening on Wednesday nights at Paris's Queen on the Champs-Elysées, the dance floor offers a retrospective of U.S. military issue and workwear from the past. A pair of hot sneakers is the sole concession to new gear. The minimalist look seems to be a kind of holding pattern for young French men as though they are waiting for young French designers to make new clothes interesting again.

"The mega bucks fashion industry markets casual clothes like detergent these days," says François Girbaud, who with his wife designs the successful *Marithé et François Girbaud* sportswear collection for the American giant VF Corporation in the United States. Girbaud who began in France where he was one of the first to stone-wash jeans, blames what he calls "the pacman approach" for killing off creativity in sportswear.

"It's not really what's worn outdoors that counts today anyway," Girbaud clarifies. "People are spending their lives at home — today's sportswear is innerwear that can be worn outside too." Accordingly, one of Girbaud's latest creations is a "lingerie jean," a stretch five-pocket pant that reveals flesh through net and plays a game with tattoos. His goal has been to combine all the most comfortable aspects of jeans and underwear into one new generation of pants.

The indoors/outdoors theme runs throughout both the American collection and the group's European line called "Be" which is headquartered in Italy and shown in the Girbaud showroom in France.

"France should get to work," says Thierry Taine of Beach Break in Bordeaux, which has retail shops specializing in hip sport brands in the area and distributes the California brand Stüssy in France. "A classic like Lacoste could raise France's sportswear profile, but they haven't created anything in years," says Taine. "It's like they don't want to be young."

A second contender on Taine's list is French surf and snow brand Oxbox which, despite U.S. dominance in surfing and snowboarding, has developed its own colorful style and sophisticated sport shapes that sell worldwide.

The few French innovators on the casual market now stand out by their use of color and intrepid take on shapes. Tony Martin, based in Lyon, has become a fixture at SEHM's Nouvel Espace where the brand has slowly but surely, gained an international reputation for offbeat, casual men's style since its start in 1988.

"We're one of the few young brands here which isn't dedicated to surf, or skateboarding, so we can't be compared to the Americans," explains Serge Martin, the designer and owner of Tony Martin. The urban attitude which characterizes Tony Martin is, he adds, "an interpretation of active currents for the city."

Martin began by opening a store when he was 20 in his native Lyon to sell rock 'n' roll style English brands and his own collection has been an offshoot of that. He designs and markets his label with a small team.

Today, Tony Martin exports well over half its production, predominantly to Japan where the brand is considered an affordable complement to French designer labels.

For fall, Tony Martin continues to work close to the body, a French trademark, in matte Lycra and kitsch bias stripe prints. The '70s influence shows up in tailored shirts with epaulettes and fancy pockets for a collection that is more about clubbing than work or school.

Another name on the bright, wacky and original side of French sportswear is Jean Fixo who mixes bright fake fur, blaring prints and unusual accessories like belts with seat belt buckles in his fall sportswear collection.

Kana Beach, designed by a community of avid surfers on Brittany's south coast, is one of the few French brands with an original look selling well at home and abroad. Beginning with screened T-shirts in 1988, Kana Beach has developed a complete sportswear collection. The brand's roots in hippie surf style and rasta inspirations have given way to a clean take on sportswear, at home both on and off the beach.

The owner and designer Fred Alegoet credits Kana's success with the group's lack of experience at the start. "We were so naive we thought we had to make the T-shirts we printed on instead of starting the collection printing on Hanes or Fruit of The Loom," he explains. "If we had known we could order T-shirts, we might never have made clothes."

Rebecca Voight

J.C. Figenwald

No-logo cool casuals are popular on Paris club scene.

Keeping Up With Paris Street Fashion

From Hip-Hop to Cool, the Neighborhood Defines the Lifestyle

By Pat McColl

PARIS — When it comes to shopping here, in a sense, the *arrondissement* dresses the man. As the menswear designer Thomas Maier expresses it: "Each neighborhood reflects a different lifestyle from those Chesterfield coats that pepper the 8th district to the hip-hop kids in Les Halles and the Marais to cool St. Germain-des-Près."

Since last autumn, velvet-collared Chesterfields have been best-sellers at the Francesco Smalto boutique, 44 Rue François 1er while at Beckaro, 5 Rue St. Opportune, and Diesel, 26 Rue de la Reynie, in Les Halles, bodyshirts in 1950s- and 1960s-inspired prints or shiny black satin and a wider legged jean are current customer favorites.

"If it's street fashion, our clientele wants it," said Dominique Masini, director of the Beckaro boutique. Part of his job is second-guessing where the next street fashion will come from. "This winter, we were ready for the '50s skiwear influence, but who would have guessed that a corduroy carpenter's pant would turn out to be a hot item?"

And who would have guessed that the ubiquitous CK One T-shirt would fall victim to Schott — the brand name of a best-selling motorcycle jacket in the United States — sweatshirts. Check them out at the newest and biggest — 1,400 square meters (4,200 feet) — Streetwear shop, Manuel de Araujo's Météor, 131 Rue St. Denis. The list of brands he stocks — Dreaddy, Posse Posse, Rip Curl — sound more like rap labels than clothes but that's the image De Araujo wants to project.

Among his projects for the boutique is a space for skateboarders and rollerbladers on the lower level.

Thirty-odd years ago, it was easier. There was just one hot menswear look and one place to buy it: the velvet blazer with flat silver buttons from Renoma at 129 bis Rue de la Pompe. Everyone from Alain Delon to students from the Lycée Janson, just across the street from the boutique, had to have one.

Renoma and that blazer are still there, the shop's 700 square meters filled with one of the biggest concentrations of clothes for men in the city and the quintessential exponent of "*le look seizième*."

"Menswear style has really evolved since we opened in 1963," said Maurice Renoma. "Then, the man who bought that velvet jacket wore it with velvet bell bottoms. Today, he is more apt to mix it with a pair of jeans and a T-shirt."

Even Renoma's perennial classic, the three-button suit, is presented on in-store displays with a tie-less dark ground shirt and a multi-colored knit vest.

With Renoma as a hub, the streets leading off it — Rue de Longchamp, Rue des Belles Feuilles — are filled with shops catering to today's Lycée Janson students with a colorful mix of shoes, sweats, jeans, parkas, sunglasses, leather jackets and lumberjack shirts. One of the biggest, with the name SAP, is at 106 Rue de Longchamp.

Still in the 16th district, Replay, the Italian sportswear firm, has just opened a two-level store at 1 Place de Passy.

Dior's sportswear, at left, and Francesco Smalto's checked chesterfield.

THE colorful sportswear approach of shops like SAP and Replay has recently been adopted by a house as sophisticated as Christian Dior where the designer Patrick Lavoix, in his summer collection, does designer baseball caps and T-shirts, yellow suede moccasins and plum denim jeans, a casual approach destined for Dior's first Left Bank boutique which opens on the Rue de l'Abbaye later this spring. Obviously, those Dior classic suits are still very much a part of this collection, showcased in Dior's Rue François 1er boutiques, but even here, Lavoix has narrowed and elongated the silhouette.

With the arrival of a Dior menswear boutique just around the corner and the opening of Giorgio Armani's Emporio Armani boutique just across the street early this summer, Façonnable, at 174 Boulevard St. Germain, is rethinking its ambiance and merchandise content.

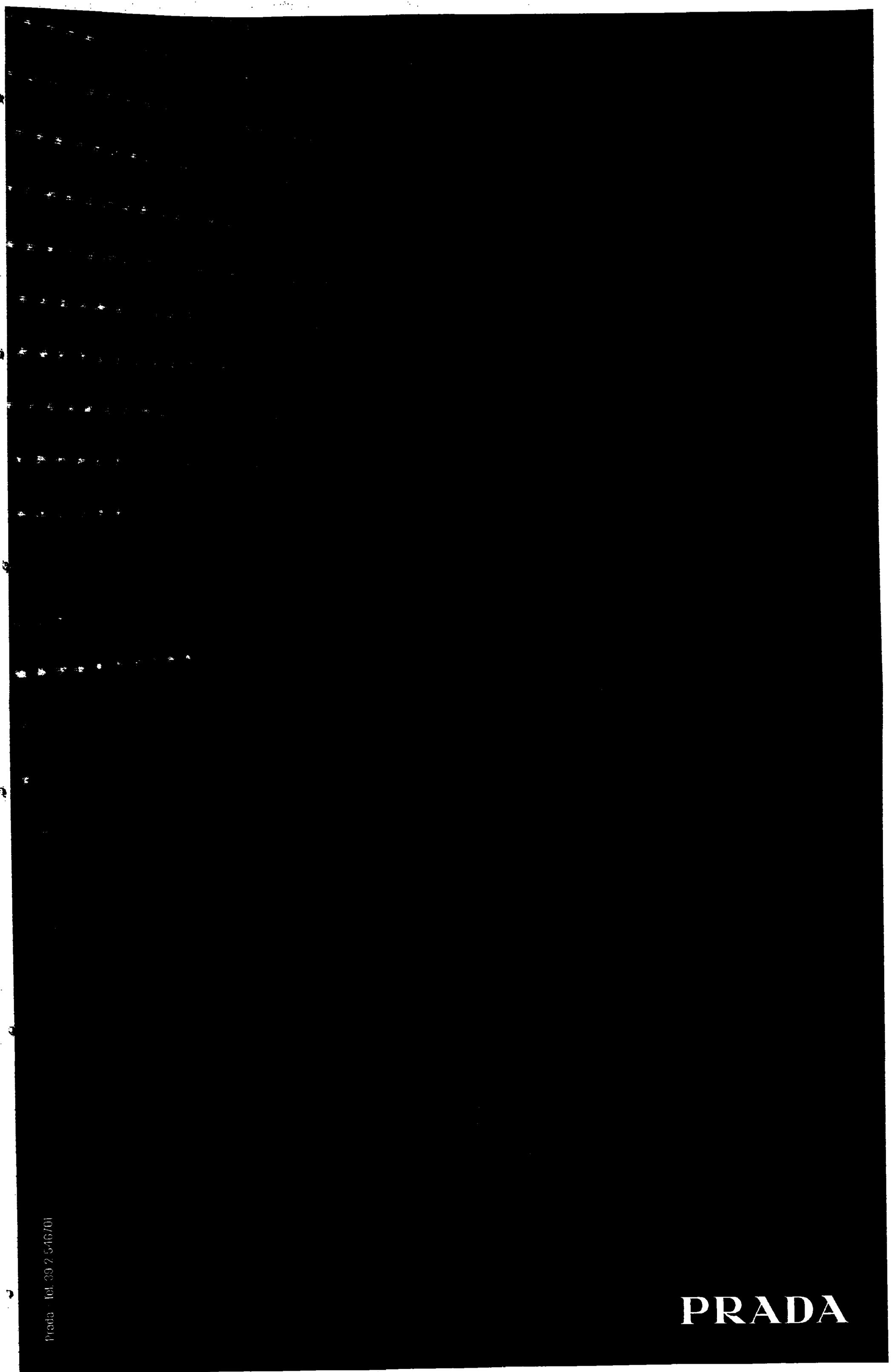
The boutique's previous cosy "English haberdashery" look will be replaced with white wood and glass fixtures with an emphasis on jeans and easy sportswear pieces. Façonnable's Right Bank location at 9 Rue du Faubourg St. Honoré, a favorite with American shoppers for its choice of shirtings in more than 200 different stripes and checks, remains in that haberdashery mood.

Just around the corner is one of the great names in French menswear, Nino Cerruti, a must stop for Harrison Ford, Jack Nicholson or Clint Eastwood whenever they are in Paris. All choose Cerruti's impeccably cut suits for their on-and-off-screen wardrobes.

Unlike Cerruti who added womenswear to his well-established menswear line, Jean Paul Gaultier (shops at 30 Rue du Faubourg St. Antoine and 6 Rue Vivienne) started out as a womenswear designer before moving into menswear, cross-fertilizing elements for a sometimes androgynous, but always witty, approach. In Gaultier's hands, an otherwise classic pinstripe suit can sprout embroidered cuffs, or skirts — kilts for men — can hop from one collection to the other.

For young men who want these designer looks but can't afford them, increasingly the solution is one of the Guerrisold boutiques where fresh shipments of second-hand clothes arrive twice a week. For under 100 francs ($20), customers can put together one of those '60s or '70s boutiques looks.

PAT MCCOLL is a Paris-based journalist who specializes in shopping and fashion topics.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MEN'S FASHION / A SPECIAL REPORT

Walking a Delicate Line: Men's Dress Takes a Feminine and Sexy Turn

By Richard Buckley

PARIS — There is certainly nothing unusual about back-combed hair, varnished nails, or matching bags and shoes worn by women at a haute couture show. It is another story when these things are seen on male bodybuilders like the models in Jean Paul Gaultier's couture collection shown here last Sunday.

The presentation, the first to bring men's and women's fashion together in couture, was just one more example of how men and women are not only redefining their roles in society, but how in the '90s, the bridge between the sexes dress has become narrower and more similar.

Gaultier has made it his mission to break, bend and twist all the traditional rules of masculine dress. He introduced trouser/skirts, backless sweaters and sheer tops for men, and he has tailored tuxedos in chiffon or sequins. Gaultier has promoted the idea of men as sex toys, and his shows play like social satires, mocking conventional notions of male vanity and behavior.

While Gaultier has gleefully and subversively waged war on macho stereotypes over the past 14 years, there has been a quiet revolution within the industry, particularly in the way men and women dress and shop. Men are showing an ever greater interest in fashion, while women buy items and pieces rather than seasonal outfits.

Furthermore, it is men who are now portrayed in the media as sex objects, their barely clothed bodies used to sell everything from microwaves to breakfast cereal. Men have become overtly sexual in a way that was once exclusive to women.

Although there may be a touch of ambiguity in these shifting roles in fashion, designers reject any notion that this look is unisex or androgynous. The message, they say, is freedom of individual expression not sameness.

"You can't do unisex," says Ann Demeulemeester, "or you lose everything." Demeulemeester, who introduced men'swear two seasons ago, says she likes to mix feminine elements for men and vice versa, but adds it is like walking a very delicate line to know the correct proportion to give each.

"Every person, man and woman, has a percentage inside them that is masculine and feminine," states Domenico Dolce. "To be able to balance the humanity in all people is the most beautiful thing." The Dolce & Gabbana fall 1997 collection shown in Milan last week featured "masculine clothes with a hint of femininity," such as the slim-fitting, hip-riding trousers, cut without a waistband.

"Everyone today," states Miuccia Prada, "is trying to be themselves without any rules," and she poetically calls the current blurring of the sexes in fashion a "cultural interchange."

Ten years ago — with the notable exceptions of Katharine Hamnett and Vivienne Westwood — it would have been difficult for women designers like Prada and Demeulemeester to even have a voice in menswear, but today the roster also includes Jil Sander, Donatella Versace and Donna Karan, who outfits President Bill Clinton more often than she does the First Lady.

Interestingly enough, it is the male domain of tailoring that has brought the sexes together. This idea visually crystallized on Gucci's runway last March when a male model in a red velvet tuxedo, unbuttoned powder blue shirt and scarf tied around the neck was side by side with a female model in the exact same outfit. On him the color and the styling could have been construed as feminine, while on her the tailoring was decidedly masculine. Separate, but equal, and definitely sexy.

"I have been working for 20 years to make tailoring for women attractive and sensual," says Jil Sander, who is now doing the same for men. For the past two years, Sander says, she has been perfecting a men's silhouette that is lighter and "fits like a second skin." The structure is evident in the way jackets are cut, but on the body they feel as soft as a cardigan. Sander explains that in designing for men and women, she finds that it is easy to share elements but that it is the individual personalization that makes it modern.

Similarly, Prada says she follows the same vision for men as for women in the sense that she finds herself using the same fabrics, colors and techniques for both. "Aesthetically it is different," she adds, "but through these differences I discover more about the other."

Over the past few years, changes in tailoring and the popularization of alternatives to classic business attire have changed the men's attitudes toward suits. New approaches to shape, cutting, construction and detailing have not only transformed the way tailored garments look, but also how they feel. The slimmer silhouette, whether tagged avant garde from Helmut Lang or traditional from Ralph Lauren, is one example of a new category of a fashion suit for men.

Carol Christian Poell, an Austrian menswear designer living and working in Milan, who has a loyal following of female customers who like the design and fit of his men's pants, jackets and tops, explains that menswear used to be the same items — blue or gray suits for work and khakis for the weekend — but that is changing. "Young people," he says, "don't care about the clichés, they buy what they want." The hip look of today's tailoring, he believes, have made the suit fashionable again.

"When I started 10 years ago," says Richard Tyler, "the look in men's tailoring was boxy and baggy. People laughed when I showed up with leaner, nipped-at-the-waist suits. It's taken 10 years for men to accept that slimmer silhouette." The boxy shapes, Tyler points out, hid the body, the newer, slender silhouette enhances the body and looks sexier.

"Men have a lot more confidence in what they wear today, and how they buy it," says Stan Tucker, vice president fashion director for Saks Fifth Avenue. "They are not afraid of color, for example, which was not the case 10 years ago."

"Men are no longer afraid of fashion," says Gene Pressman, co-chairman and co-CEO of Barneys New York, "and they are using it to define individual style." Pressman points out that when Barneys brought Giorgio Armani to America 20 years ago, it took four or five years to be accepted. "Menswear has always emphasized style and quality, while women only used to think of fashion. I see the reverse happening now and the two are moving together."

As the lyrics of the song by the British band Blur suggest, "Girls who are boys/ who like boys to be girls."

RICHARD BUCKLEY is a fashion and lifestyle writer based in Paris.

Making the Image Business Pay Off

By Hilary Alexander

LONDON — When BBC Radio 1's £1.4 million a year disc jockey, Chris Evans, resigned amid a barrage of media static last week, there was more than a simple job dispute going on.

The walkout supposedly centered on Evans's demand for Fridays off: he needs that day to record his television show, TFI Friday, for Channel 4. But media sonars detected an even more important reason: the simple but, these days, crucial need for change.

If a week is a long time in politics, nearly two years at the same radio station is the equivalent of a New Ice Age in the youth market: Cool in all the wrong places.

In a world dominated by a zillion images on cable, television, cinema, video and the glossies, image is all. But, as the marketing men know, that image must be constantly redefined, re-invented and renewed before it gets within even a nanosecond of its sell-by-date.

New is more than just different; it's news, the hook for millions of dollars worth of free publicity.

What Chris Evans and others, notably Oasis's Gallagher brothers, well understand about image is its surprise-factor value. Madonna is to image manipulation what Einstein was to energy. What makes their media bandwagon run and run is, at core level, the fact that no one can guess what they are going to do next. When they do do it, it provokes a media-feeding frenzy.

Change is a currency well appreciated by Liam Gallagher. The last time he was on the front pages, he was wearing a golfing hat. At the time, it was considered that he was perhaps just having a Bad Hair day; no matter, it helped sell millions for Kangol, manufacturers of the cotton oddity.

Soon after New Year, he shaved it all off. The new-look Gallagher was first unveiled when he was taken to London's Marylebone police station after being found in possession of cocaine.

Just as important to the fans as Liam's locks being sheared away, however, was the manner in which they were shorn. It did not take long for tabloid hacks to discover that Gallagher had not gone to one of the trendy Euro establishments that have become a bathroom-away-from-home for the run-of-the-mill celebrity pack.

Rather, in a gesture as cool as to be positively frozen-over, he simply slouched in unannounced to The Traditional Barber's (no appointment necessary) in Macclesfield, a former silk mill center in the county of Cheshire.

The razor was wielded by a teenage barber, Scott Minshull, now a minor celebrity himself, who took 15 minutes and charged the rock star the standard £4.50 for what is known in the trade as a Number Three Cut, slightly longer than Demi Moore's close shave for GI Jane.

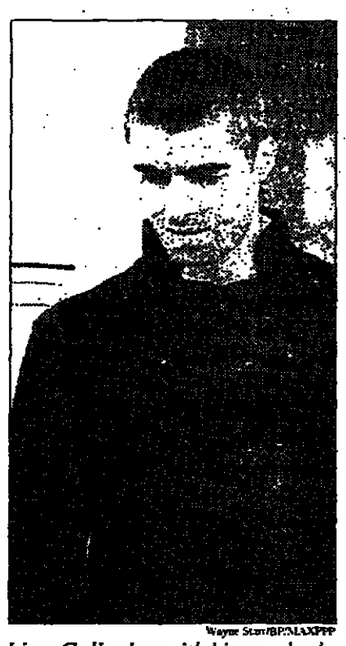
Since the story appeared, the barbershop has been inundated with Minshull now slaving away at shaving as many as 70 heads a day.

"They're coming from everywhere, all over the country, Kent, Glasgow, you name it. All ages, but mainly guys under 25. I used to have long hair like his, but I've had mine shaved off too, just like Liam did," Minshull said.

NOT SINCE the footballer Paul (Gazza) Gascoigne's brush with bleach which turned hundreds of young male fans onto the joys of the home peroxide jobs, has a hair-do provoked such an army of imitators.

The lookalike business means big money. Across the country, millions of under-10-year-old girls, having first persuaded their mothers to buy them the Spice Girls' 1996 platinum hit single "Wannabe," are now begging for crop tops like Mel B. (the dark, sexy, athletic one) and baby-dolly dresses of the sort favored by Emma (the blonde, sexy, unathletic one).

On a recent television show, Vivienne Westwood labeled the Spice Girls as "animals with no style." Her remarks will only add further desirability to the range of "Spice Girls Designer Fashion" which they are arranging to market in a £2 million deal.



Wayne Stott/BPI/MAXPPP

Liam Gallagher with his new look.

HILARY ALEXANDER is fashion writer for the Daily Telegraph.

Sex and the Single Male

Continued from Page 19

How is all this going to play for the generation which has the most to spend on designer menswear?

Forty-somethings associate flannel and tweed with the buttoned-down world of their fathers, skinny shapes with their own youth and think that baggy shapes are ill-fitting. Both psychologically and physically, they may find it tough to shape up to Milan menswear's new image. Yet their own kids may well be scared off by designer prices.

SINCE fashion today is about multiple choice, there was more to Milan than one dominant look. There were grownup clothes — like the sweeping topcoats from Gianfranco Ferré and Armani's more classic suits. There were also sporty separates and different silhouettes, with baggy tweed jogging pants at Emporio Armani, cargo pants at Valentino and huge rapper pants at Byblos.

The D & G collection, inspired by snowboarding, summed up the parameters of current menswear: from baggy to skinny. That means rugged sweaters, big parkas and military baggy pants, as well as slim pants and tiny T-shirts like old-fashioned underwear.

"It's the same man with a different attitude who wears easy sport and weekend clothes and very tailored things," says Domenico Dolce. "But I think men's feelings have changed towards bodybuilding. It's not muscles you want for these clothes, as much as an athletic body."

The super-young models reinforce the image that youth is beautiful. Jil Sander, whose collection was based on two years of research into fabrics and technique, chose to show her slim, spare clothes on striplings who looked like schoolboys.

So is there now an unbridgeable fashion divide — a singles look that doesn't work for men whose life is established in a staider pattern?

"There are no rules at all," claims Katharine Hamnett, who had abandoned her signature tight, sexy disco look for more classic and casual clothes.

But Ford believes that there are defining characteristics of a predatory young male.

"Think about an 18-year-old," he says. "And that energy trying on 20 different T-shirts before going out — to them it is so important. In time that fades. True fashion obsession is something to do with sex."

Suzy Menkes

Designers Stretch Limits With Fabrics and Fibers

Mixture of Natural and Synthetic Produces Best of Both Worlds for the Modern Look

By Roger Tredre

LONDON — If the clothes appear conventional on the runway, take a closer look. Some of the most significant developments in men's fashion are all but invisible to the eye. They're in the fibers and the fabrics.

Stretch is the key word at the top of the designers' shopping lists. Virtually every name, from the classic British firm DAKS Simpson to the German giant Hugo Boss, is using stretch fabrics in tailoring lines for next fall. The trend is to mix familiar fabrics like flannel and tweed with Lycra or other elastic fibers to create a thoroughly modern take on the suit.

Lycra is usually utilized in small doses — as little as two percent — to give stretch and resilience to cloths. "It looks like a regular suit, but the stretch makes it rather more comfortable," says Paul Smith, a British designer, of a suit in his signature collection that has been a best-seller for spring.

Demand soared for stretch fabrics at last fall's Ideabiella, the upmarket Italian cloth show considered to be a key pit stop on the buying circuit. Marzotto, the Italian manufacturer, said 20 percent of its collection now includes Lycra.

Hugo Boss is among a host of men's fashion houses newly converted to the stretch method, adding stretch to classic cloths such as gray flannel, herringbone, and Donegal tweed. "It's only when you put the jacket on that you realize how different they are," says Lothar Reiff, creative director of Hugo Boss.

In the early '90s, designers and store buyers alike were obsessed with 100 percent natural-fiber fabrics. Then came the synthetic revolution of the mid-'90s, prompted by the success of Prada's nylon clothes and accessories.

Now the trend is about mixing natural and synthetic to mutually beneficial effect. The Irish designer John Rocha approves. "There's been an overkill of synthetics over the last couple of years. Now we have the best of both worlds."

The International Wool Secretariat has recognized the phenomenon by joining forces with Du Pont to create a wool-plus-Lycra knitwear technical and marketing program. This season, Italian spinners alone have spun more than 132 tons of wool-plus-Lycra yarn, equivalent to about 400,000 garments.

The mix-it-up trend is good news for customers: nylon or polyester used in excess are no more comfortable to wear in the '90s than they were back in the drip-dry '60s. Tacte, Du Pont's version of nylon, used by Prada, is being combined with wool, cotton and linen in woven fabrics for a comfort fit.

Designers approve. "I'm combining natural and synthetic all the time. I've been using a fabric with a cotton back, so it feels pleasant against the skin, and a nylon front to give it strength," says Jeff Griffin, a young British designer.

Griffin is rated among the generation of streetwise designers using so-called "technical" fabrics, the most advanced of which are developed by Swiss and Italian companies. Many of these fabrics were first used in active sportswear for mountaineers, skiers, and snowboarders.

The "technical" wave is set to run and run as the menswear business looks ahead to the next fall. Designers believe the time is right to bring active sportswear into the fashion mainstream.

Their biggest inspiration is Massimo Osti, the pioneering Italian designer who first shifted padded, down jackets from the ski slopes to the streets in the '70s and went on to launch the Stone Island label in the early '80s. Osti has since moved on to other projects, launching the new labels Massimo Osti Production, ST95, and Left Hand, and developing new fabrics from protective clothing. These include Thermojoint, a fabric said to protect from nuclear radiation, and "slashproof" fabrics incorporating steel fibers.

Among the most sought-after names for new fashion fabrics is the Swiss firm Schoeller, which began working with designers three years ago. Customers include DKNY, Polo Ralph Lauren, Prada and Karl Lagerfeld.

"Our designer business splits between two categories — sophisticated reflective fabrics where a reflective thread is woven into the fabric, and the stretch market," says Vice President Christine Jenny.

A luxury feel to the cloth remains important to menswear designers, who are willing to use fabrics more traditionally associated with womenswear. Silky-soft Tencel is tipped as a winner among the new fibers jostling for business. Tencel, a cellulosic fiber, has been used for the past three years by jeanswear and womenswear manufacturers, typically to bestow softness and strength on denim fabrics. Among the latest converts are designers of menswear such as the Spanish label Armand Basi and Ireland's John Rocha. "It's a great way of softening up denim," notes Rocha.

Courtaulds, the British firm that has developed Tencel, is backing it with investment totaling £120 million ($200 million) in a new factory in Grimsby, England, that is scheduled to open later this year.

Why this explosion in new fibers and new fabric development? Fiber manufacturers such as Du Pont are enjoying the fruits of years of sustained marketing campaigns to persuade designers and, in turn, the broader clothing market about the benefits of their products. "Having the top designers as your partners and endorsing you is a very important marketing tool," says Salim Ibrahim, a Du Pont director.

Then again, fabric manufacturers in specialist areas are more ready to work with mainstream designers, recognizing the opportunities for new business. But there's something more. In the design studios, the looks coming off the drawing boards are following simple lines and simple shapes, with many designers favoring the same slim-line silhouette.

In this crowded marketplace, exploring the potential of a new fabric is one way for a designer to stand out from the crowd.

From Hugo Boss, a nylon car coat in the Hugo collection.

ROGER TREDRE is a fashion-features writer on The Observer.

A Little Animal Magic: Hermès Ties on a Roll

Stores Sell a Million Neckties Annually

By Joseph Fitchett

PARIS — When neckties pulled ahead of women's ornate silk scarves as Hermès top-selling accessory, it marked a fashion revolution — and a global marketing coup.

In less than five years, the Paris luxury goods house had zoomed to being a market leader in $100-plus neckwear, largely thanks to a new line of printed silk ties that featured elegantly drawn, colorful little animals. Jibes about "animal cracker" ties died in critics' throats as the ties suddenly became almost required wearing for politicians, businessmen and wannabees.

In Hermès emporia from Paris to Hong Kong, men around stirrup-shaped brass racks wait for the opportunity to pull a trusted sales clerk aside in hopes of getting a lead on their pet tie out of the semi-annual collection of 70 or so. A lot of businessmen's international calls started to include an exchange of intelligence about what shop might still have a tie with blue bears on a white background.

The global frenzy was a marketeer's dream. Today, Hermès sells more than a million neckties a year, bringing in 10 percent of the French company's revenue. The animals' appeal has even revived interest in Hermès's more traditional ties, featuring geometric variations, usually on stirrups and other bits of tackle.

There was nothing preordained about Hermès's coup. It had been selling ties since the 1950s (and in fact is credited with inventing silk-screen printing as a decorative alternative to weaving patterns in silk), but it was a minor line. Hermès only made ties at all because its Monte Carlo shop, located next door to the Casino, had spotted a small market in tie-less gamblers who needed neckwear to meet the dress code imposed at the gaming tables.

Hermès only broke with its horsy traditions in the mid-1980s when it left behind its grouse and other game birds and showed instead stylized, often cheeky, wild animals, starting with elephants spouting water from their raised trunks.

They proved to have wild appeal, so quickly arkloads of these creatures started adorning Hermès's sleekly finished ties: birds, hippos, pandas, koala bears, even lambs straight out of St. Exupéry's tale, "The Little Prince."

Animal motifs had been tried in Italy by Gucci and especially by Ferragamo, but a big international clientele quickly started snapping up the snappy new Hermès designs. Professional people, who felt obliged to conform in their suits and shirts, saw the new ties as an expressive personal touch, says the Hermès CEO, Jean-Louis Dumas.

The new Hermès ties caused a frenzy. As collections sold out, businessmen combed their international contacts to locate a sought-after tie. One Hermès-crazed businessman wanted to be buried in his Hermès ties stitched together as a shroud, according to François Chaille, author of a recent, authoritative study, "The Book of Ties" (Flammarion).

How did Hermès come up with such a winner? The laws of fashion design dictate that ties must be serious in times of prosperity and lighthearted in times of crisis, so in the 1990s, European designers apparently were looking for something a little more playful.

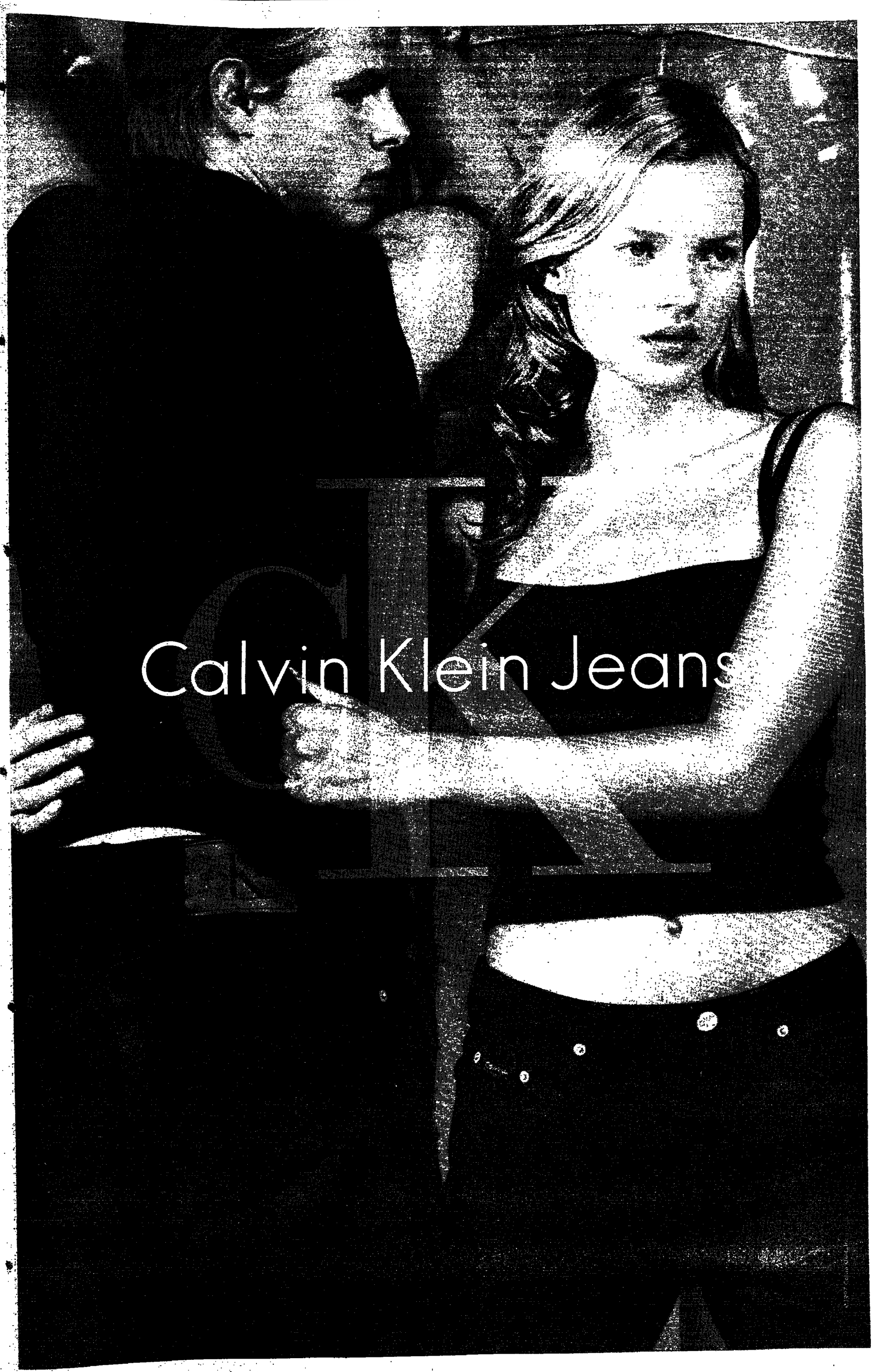
The new Hermès tie, with its fine workmanship, managed to carry off a witty affair with the boyish vernacular of novelty ties by alluding to pin-up figures, Santa Claus, flashing messages. The risk, obviously, was that Hermès's figures would end up looking like the Scotties, Johnnie Walkers or Chinese parasols that used to turn up on plastic swizzle sticks in hotsy-totsy bars.

THEY did not, of course, mainly because Hermès adopted a sophisticated design known in the trade as an "all-over" — meaning a repeating pattern in which the small identical motifs recur in a regular design covering the entire cloth. "Even St. Exupéry's tiny lambs, when repeated 200 times at regular intervals, can create a very dressy impression," Chaille says.

And the new ties had the Hermès touch, including the special interlining that implants a subde forward swell. Keeping silk ties from looking limp is so important that Pierre-Antoine Rabemil, the top tie salesman in the Paris store, does not want his clients to send their Hermès ties to be cleaned except to artisans who know how to remove the interlining and then sew it back in after the envelope of printed silk has been cleaned and pressed. (He recommends two places in Paris, Pressing de la Madeleine near the store and Anne Marie's near the Arch of Triumph.)

In its new collection, Hermès has started edging away from the animal motifs, partly because they have been so widely imitated. For fans, the store is organizing a computerized search system designed to query every Hermès sales point and warehouse in an effort to locate any overlooked specimens of a customer's favorite animal tie.

JOSEPH FITCHETT is a reporter for the International Herald Tribune.


Calvin Klein Jeans

Herald Tribune INTERNATIONAL
SPORTS

WORLD ROUNDUP

Superdome Death

FOOTBALL Producers of the Super Bowl halftime show said Friday they had decided to delete a bungee-jumping routine after one of the jumpers was killed while practicing in the Louisiana Superdome.

Laura Patterson, 43, struck her head on the Dome's floor during the routine late Thursday. She was taken to the city's charity hospital where she was pronounced dead of massive head injuries.

It was unknown whether it was human or mechanical error that caused Patterson to hit the floor. Patterson was part of a 16-member professional bungee-jumping group, which included her husband and sister. *(AP)*

Disease Sidelines Lomu

RUGBY The Rugby union superstar Jonah Lomu, who captured the sporting world's imagination in the 1995 World Cup, said on Friday that he had a serious kidney disorder that would put him out of action for at least six months.

The 21-year-old New Zealand All Black said at a news conference in Auckland that he had a rare condition known as nephrotic syndrome that would require intensive medical treatment. The program would involve 60 injections and tablets a day, and doctors said he had a 50 percent chance of a full recovery.

Lomu, named international player of the year by Britain's Rugby World magazine, thrilled fans for his barnstorming demolition of England in the World Cup semifinal in South Africa. *(Reuters)*

Arrest of Yankee Pitcher?

BASEBALL The New York Yankees pitcher David Wells will be arrested for his role in a Jan. 12 fight that left the left-hander with a broken pitching hand, The New York Post reported Friday.

The newspaper, citing a San Diego police spokesman, said Wells would be arrested on felony battery charges and that matters were being worked out with Wells's attorney to have the pitcher surrender. But the attorney, Howard Frank, told the newspaper Thursday night that he was unaware of such an agreement.

The fight began when Wells and a friend apparently thought two men walking away had taken the keys to Wells's car, which was parked on a street in Ocean Beach, California. *(AP)*

A Reformed Rodman?

BASKETBALL Dennis Rodman apparently has taken some of President Bill Clinton's advice to heart, even vowing to play some games for free.

The president, in a television interview aired Thursday, encouraged Rodman to be a better role model, and suggested the Chicago Bulls star admit that it was wrong to kick a cameraman. Rodman, suspended without pay for 11 games after kicking a courtside cameraman in Minneapolis on Jan. 15, told the Chicago Sun-Times on Thursday that he was thrilled that the president is a fan.

"It leaves me speechless," Rodman said. "But when I come back, I'm going to do something else that no player has ever done. I'm going to play for free. I feel I owe that to the Bulls." *(AP)*

Sampras Boots Muster's Computer

American Wins in Straight Sets to Reach Australian Final

By Robin Finn
New York Times Service

MELBOURNE — Thomas Muster had his stealth weapon, a computer programmed to expose the kinks in Pete Sampras's arsenal, and his kinetic weapon, an extra-long racquet to give him extra power. But even backed by all the technology that money can buy, the Austrian could not finagle a method of preventing Sampras from reaching the final of the Australian Open.

The top-ranked Sampras, who counts the 1994 Australian Open among his eight Grand Slam titles, slammed his way into the final against the newcomer Carlos Moya with a 6-1, 7-6 (7-3), 6-3 defeat of the fifth-seeded Muster, who grew increasingly contentious as his elimination grew closer.

"He's the No. 1 player, he's confident, he has the best all-around game, and that's it: he's a Grand Slam player," Muster said.

Muster had not been to a semifinal here in Australia, where he has ingratiated himself by purchasing a vacation home at Noosa Heads, since 1989, the year his hard-court career was put on hold after his knee was crushed in a freak accident.

"I played as well as I could; I was hitting deep, not letting Thomas dictate," said Sampras, who wanted to keep that role for himself.

Sampras said he needed no computer to help him improve his record against Muster to 7-1, and he proved it by roaring through the opening set in just 29 minutes. Though Muster broke Sampras with a forehand pass to take a 4-2 lead in the second set, Sampras put the set back on serve by breaking Muster in the ninth game with a backhand drop volley.

Sampras controlled the tie breaker, though, and he made Muster work to avoid complete annihilation there: even when Muster tumbled into the net after leaping to intercept a pass, the big point, bringing a 3-1 lead, belonged to the American. Muster complained about the forehand volley that glanced off the baseline and gave the second set to Sampras, but that did not help, either, and in the third set he simply awaited the inevitable.

"I tried to go to his backhand and open up the court, but it's really hard," said Muster, who was out-aced, 16-3. "I tried to get the short ball to come in on, but how many do you get?"

"It's not so much the return of serve which caused a loss like this against Pete, it's his all-around game: it's the pressure he puts on even when I play from the baseline," said Muster, who was outaced 16-3. "I tried to get the short ball to come in on, but how many do you get?"

Not enough to worry Sampras.

In the final, Sampras will square off against the unseeded Moya of Spain, whose juggernaut performance here commenced with the first-round dethroning of the defending champion, Boris Becker, and escalated from there. Moya reached his first career Grand Slam final with a masterful 7-5, 6-2, 6-4 disposal of second-ranked Michael Chang, last year's runner-up.

Moya said that he was eager for a rematch with Sampras, who throttled him two years ago in Barcelona in an exhibition set, and that he unafraid of facing the world's best player. "I'm not going to the court as a loser," Moya said.

But, said Sampras, "I feel like I've got one more match left in me" despite some grueling five-set matches in the Australian heat.

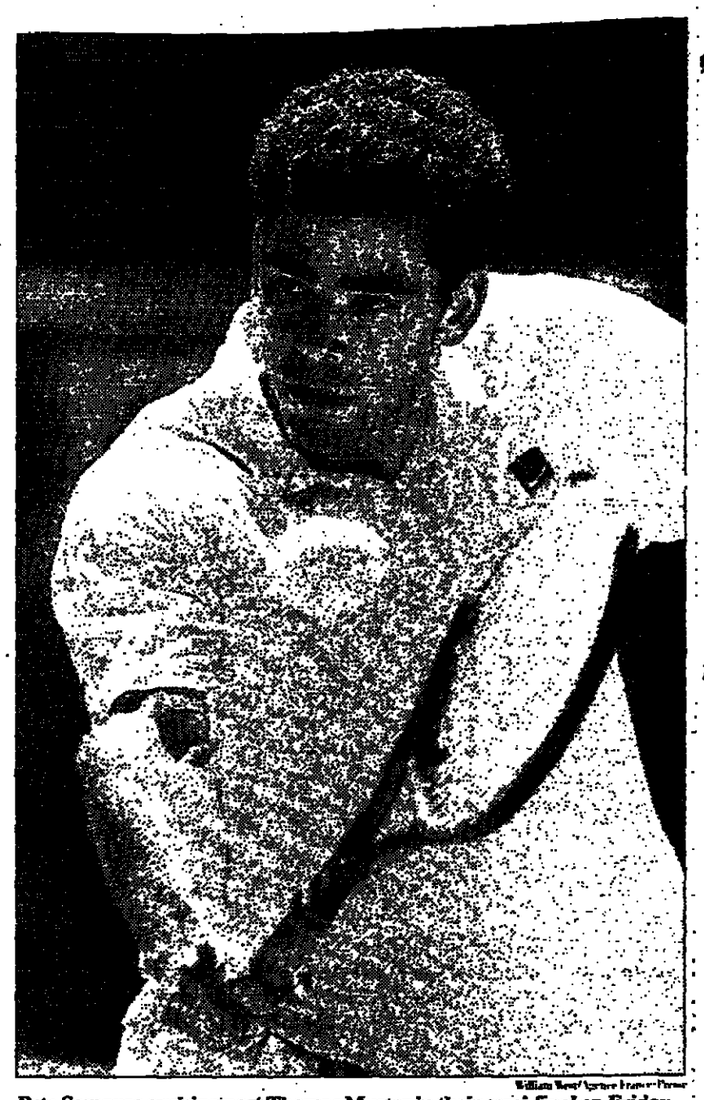
Sampras and Moya have no track record, but Muster, who had a clay-court winning streak of 38 matches halted by Moya last year, warned that Sampras ought not take the Spanish neophyte lightly: "I wouldn't say it's a one-way street," he said, "but Pete knows he has somebody who's playing his first Slam final."

In the women's final on Saturday, unseeded Mary Pierce, who won her only Grand Slam title here in 1995, will face this tournament's youngest-ever finalist, 16-year-old Martina Hingis. Pierce, on the rebound here on the Rebound Ace surface that treated her so kindly two years ago, leads their rivalry 3-0, but Hingis has served notice that she's a better player now than the one Pierce has three times dealt the dreaded 6-0 bagel.

On Friday, Hingis added a second Grand Slam doubles crown to a collection begun last year at Wimbledon: after she and her new partner, Natasha Zvereva, upset top-seeded Gigi Fernandez and Arantxa Sanchez Vicario to reach the doubles final, they followed through by claiming the title with a brisk 6-2, 6-2 defeat of Lindsay Davenport and Lisa Raymond.

"I hope to have a good day tomorrow, too," said Hingis, who plans to purchase Magic Girl, the feisty local mare who earned the tennis prodigy's respect by tossing her off the other day, if she wins her first Slam singles title.

Meanwhile, just as they'd expected, the tournament officials received an irate petition signed by many of the top players protesting the closing of the stadium roof on Tuesday because of the intense heat. "You're talking about elite athletes here; they come down here expecting to play in summer Melbourne heat, not indoors," said Chang. "It's almost like taking Wimbledon and putting a cover over center court."



William West/Agence France-Presse

Pete Sampras cruising past Thomas Muster in their semi-final on Friday.

Zurbriggen And Kostner Tie in Skiing

Compiled by Our Staff From Dispatches

CORTINA D'AMPEZZO, Italy — In a rare first-place tie and in the closest finish of the season, Heidi Zurbriggen of Switzerland and Isolde Kostner of Italy shared victory Friday in a downhill race of the women's Alpine skiing World Cup.

Zurbriggen and Kostner completed the 2,490-meter-long Olimpia delle Tofane course in the same time of one minute, 30.81 seconds.

The Olympic downhill champion, Katja Seizinger of Germany, took third place, only two hundredths of a second behind the leading duo.

Warwara Zelenskaja of Russia placed fourth, with a gap of 0.15 seconds.

It was the second consecutive victory this season for the 29-year-old Swiss skier, the younger sister of the retired ski great Pirmin Zurbriggen.

Kostner, the world super-G champion, also captured her third career victory and her first this season.

Sweden's Pernilla Wiberg held on to first place in the overall Cup standings, although she finished seventh in the fourth downhill race of the season in this Italian resort.

It was the sixth first-place tie in World Cup history. The previous tie in a women's World Cup race was in 1994, again in Cortina, when Wiberg and Alenka Dovzan of Slovenia shared first place in a super-giant slalom.

In a men's two-run sprint downhill in Kitzbuehel, Austria, Luc Alphand of France clinched his third victory of the season Friday. Alphand clocked fastest times in both runs on the shortened version of the usually dreaded Streif piste for a winning aggregate time of two minutes 12.55 seconds.

The triumph allowed Alphand to snatch the lead in the downhill World Cup standings from the Kristian Ghedina of Italy, who finished 11th in 1:13.89. Alphand has 545 points to Ghedina's 489.

Werner Franz of Austria held on to his second place after the first leg with a total time of 2:12.95.

William Besse of Switzerland improved on a first-run eighth place for overall third in 2:13.13. *(AP, Reuters)*

S. Brandstatter/Agence France-Presse

Luc Alphand en route to victory on Friday in a men's two-run downhill.

Russian Hits Her Stride in Paris Skating

The Associated Press

PARIS — Defending champion Irina Slutskaya of Russia shook off some recent sub-par performances to take the lead after the women's short program at the European Figure Skating championships Friday.

She heads into Saturday's free program a clear favorite. Slutskaya was just third in her national championships and not looking like the skater that took third in the world championships last March.

On Thursday, it took an extraordinary set of circumstances, but when the skating had finished, Alexei Urmanov was the second Russian winner in the first two completed events.

Urmanov jumped from sixth to first in the final of the men's program. Most astonishingly, he moved from second to first without doing any skating.

Second was Philippe Candeloro of France, with the defending champion, Vyacheslav Zagorodniuk of Ukraine, taking the bronze. Ilya Kulik, who led entering the evening, finished fourth overall.

The standings were so mixed up, however, that the order was Zagorodniuk, Urmanov, Kulik and Candeloro before Andrei Vlascenko of Germany skated last. Vlascenko finished sixth, but juggled the placings so that Urmanov took first and Candeloro from fourth to second.

GRAF: *Father Is Guilty*

Continued from Page 1

to play in another tournament. She refused to answer reporters' questions, saying only: "Haven't you guys got enough?"

The celebrity trial, which depicted in detail the ascendancy of the biggest star in women's tennis today and the downfall of her obsessive father, captivated the German public and prompted endless debate about the controversial mix of sports, money and taxes.

A high school dropout and used car salesman, Mr. Graf started nurturing his daughter's career when she was 3 years old. He apparently sawed off the handle of a racket and taught her to thump a ball around the living room, offering pretzels and ice cream as rewards for well-executed shots.

Mr. Graf quit his job and took complete control of his daughter's career after she turned professional at 13.

She became a success on the international tennis circuit and was soon making millions of dollars a year in prizes and corporate sponsorships.

Along the way, Mr. Graf fell victim to the pitfalls of glamour in professional tennis. He developed what he later called an addiction to pills and cognac, and became involved in extramarital affairs that shattered his marriage and embarrassed his daughter.

In 1987, as his daughter's career was skyrocketing, Mr. Graf founded Sunpark Sports to serve as a front company used to channel her fortune into havens far from the German tax collector.

Tournament and corporate sponsors were asked to siphon her earnings to addresses in Amsterdam, Lichtenstein and the Dutch Antilles.

In some cases, Mr. Graf would demand payments in cash and walk away from Miss Graf's tournament appearances with the money stuffed into plastic bags, according to testimony before the court.

As one of the most successful women's players of all time, with endorsements ranging from pasta to deodorants, Miss Graf's lifetime earnings have surpassed $100 million.

But in August 1995, the authorities caught up with her father and arrested him on suspicion of tax violations. He was put in a Mannheim jail, where he was treated for drug and alcohol addiction. He spent 15 months behind bars before being released on $3 million bail.

During the trial, Mr. Graf's lawyers argued that he was not guilty because German tax authorities were well aware of the "tax-saving model" he had adopted for his daughter's earnings.

German tax officials acknowledged that they had known about Mr. Graf's failure to pay taxes as early as 1989.

SCOREBOARD

BASKETBALL

NBA Standings

EASTERN CONFERENCE

ATLANTIC DIVISION

	W	L	Pct	GB
Miami	30	11	.732	—
New York	29	12	.707	1
Washington	20	20	.500	9½
Orlando	18	19	.486	10
New Jersey	11	28	.282	18
Boston	9	28	.243	19
Philadelphia	9	31	.225	20½

CENTRAL DIVISION

Chicago	36	5	.878	—
Detroit	29	11	.725	6½
Atlanta	26	12	.684	8½
Charlotte	23	17	.575	12½
Cleveland	22	18	.550	13½
Indiana	19	20	.487	16
Milwaukee	19	21	.475	16½
Toronto	14	26	.350	21½

WESTERN CONFERENCE

MIDWEST DIVISION

	W	L	Pct	GB
Houston	32	10	.762	—
Utah	28	13	.683	3½
Minnesota	19	22	.463	12½
Dallas	13	25	.342	17
Denver	12	29	.293	19½
San Antonio	10	28	.263	20
Vancouver	8	35	.186	24½

PACIFIC DIVISION

Seattle	30	12	.714	—
L.A. Lakers	29	12	.707	½
Portland	23	18	.561	6½
Sacramento	17	24	.415	12½
Golden State	16	24	.400	13
L.A. Clippers	15	24	.385	13½
Phoenix	15	26	.366	14½

THURSDAY'S RESULTS

Miami	23	22	28	26— 99
Toronto	28	22	21	23— 87

M: Hardaway 10-19 5-5 26, Daniolvic 6-8 3-5 16; T: Williams 4-14 13-15 23, Stoudamire 7-20 5-6 22. Rebounds—Miami 57 (Brown, Mourning 6), Toronto 43 (Camby 10). Assists—Miami 18 (Hardaway 9), Toronto 18 (Stoudamire 11).

Milwaukee	21	20	19	32— 92
Orlando	25	19	22	30— 96

M: Baker 12-23 6-6 30, Robinson 6-20 5-6 18; O: Selkaly 10-12 3-4 23, Hardaway 8-17 7-7 23. Rebounds—Milwaukee 45 (Baker 12), Orlando 43 (Strong 11). Assists—Milwaukee 15 (Perry 5), Orlando 14 (Scott 5).

Chicago	16	28	16	27— 87
Cleveland	22	14	19	16— 71

C: Jordan 10-24 11-12 32, Pippen 5-11 2-2 13, Kukoc 4-9 4-4 13; C: Brandon 10-21 0-0 21, Mills 6-13 6-6 20. Rebounds—Chicago 56 (Pippen 12), Cleveland 32 (Hill 7). Assists—Chicago 21 (Pippen 8), Cleveland 19 (Phills 6).

New York	17	25	25	25— 92
Indiana	18	27	14	29— 90

N.Y.: Ewing 9-20 5-7 23, Childs 4-9 2-8 16; I: Best 7-12 5-7 22, Miller 6-15 6-6 21. Rebounds—New York 44 (Ewing 9), Indiana 47 (A.Davis 13). Assists—New York 18 (Childs 8), Indiana 19 (Miller, Best 4).

New Jersey	17	23	24	40—104
Houston	26	30	24	31—111

N.J.: Gill 11-25 2-3 28, Reeves 7-12 3-3 19; H: Mack 9-18 0-0 20, Olajuwon 7-17 6-7 20, Drexler 7-13 4-7 20. Rebounds—New Jersey 48 (Williams 12), Houston 55 (Willis 15). Assists—New Jersey 21 (Kittles 6), Houston 34 (Olajuwon, Drexler 8).

Minnesota	25	24	29	17—95
Vancouver	16	17	28	23—76

M: Guglotta 11-22 11-13 33, Garnett 7-15 0-0 14, V: Reeves 9-17 4-5 22, Peeler 5-13 0-0 11. Rebounds—Minnesota 63 (Guglotta 15), Vancouver 38 (Reeves 8). Assists—Minnesota 27 (Porter 15), Vancouver 18 (Anthony 6).

Seattle	29	28	30	21—108
L.A. Clippers	24	31	23	24—102

S: Kemp 7-13 12-17 26, Payton 8-18 4-6 22; L.A. CLIPPERS: Martin 10-21 8-8 31, Sealy 6-13 7-8 21. Rebounds—Seattle 51 (Kemp 11), Los Angeles 52 (Wright 12). Assists—Seattle 15 (Payton 6), Los Angeles 18 (Martin 9).

Detroit	22	26	26	28— 94
Golden State	22	21	19	17— 79

D: Mills 7-15 3-3 22, Hunter 7-13 0-0 19; G.S.: Sprewell 5-13 5-6 18, J.Smith 7-16 3-4 17, Marshall 7-10 0-0 17. Rebounds—Detroit 44 (Mills 11), Golden State 42 (Spencer, Armstrong 7). Assists—Detroit 27 (Dumars 8), Golden State 24 (Sprewell 11).

EuroLeague

GROUP E

Alba Berlin, Germany, 68 Stefanel Milan, Italy, 78
Olympiakos, Greece, 69, Maccabi, Tel-Aviv, Israel 60
Standings: Stefanel Milan 23 points, Alba Berlin 21, CSKA Moscow 20, Olympiakos 20, Maccabi Tel-Aviv 20, Charleroi 13.

GROUP F

Teamsystem Bologna, Italy, 69, Ulker Spor, Turkey, 61
Limoges, France, 85, Cibona Zagreb, Croatia, 61
Panionios, Greece, 91, Estudiantes, Spain 95
Standings: Teamsystem Bologna 23 points, Estudiantes 21, Cibona Zagreb 21, Limoges 19, Ulker Spor 17, Panionios 16.

GROUP G

Standings: Prokhimaltos 23 points, Ljubljana 22, Villeurbanne 22, Seville 19, Pau-Orthez 18, Dynamo Moscow 16.

GROUP H

Bayer Leverkusen, Germany 70, Partizan, Belgrade, Yugoslavia, 81
Split, Croatia, 68, Kinder Bologna, Italy, 70
Standings: Efes Pilsen 23 points, Partizan Belgrade 21, Barcelona 19, Kinder Bologna 19, Split 18, Bayer Leverkusen 14.

HOCKEY

NHL Standings

EASTERN CONFERENCE

ATLANTIC DIVISION

	W	L	T	Pts	GF	GA
Philadelphia	27	13	7	61	152	116
Florida	23	14	10	56	135	111
N.Y. Rangers	24	19	7	55	170	139
New Jersey	23	17	5	51	118	114
Washington	20	22	5	45	127	128
Tampa Bay	18	21	6	42	131	141
N.Y. Islanders	14	23	9	37	125	138

NORTHEAST DIVISION

	W	L	T	Pts	GF	GA
Pittsburgh	26	16	5	57	174	142
Buffalo	25	17	5	55	139	123
Hartford	19	20	7	45	133	146
Montreal	18	22	8	44	154	164
Boston	17	24	6	40	136	169
Ottawa	14	22	8	36	120	132

WESTERN CONFERENCE

CENTRAL DIVISION

	W	L	T	Pts	GF	GA
Dallas	25	17	4	54	133	114
Detroit	21	16	9	51	140	107
St. Louis	22	22	4	48	141	154
Phoenix	20	23	4	44	131	153
Chicago	17	24	8	42	125	133
Toronto	18	29	0	36	144	165

PACIFIC DIVISION

	W	L	T	Pts	GF	GA
Colorado	29	11	8	66	164	111
Edmonton	21	22	5	47	154	148
Vancouver	22	22	2	46	150	154
Anaheim	18	23	5	41	131	141
San Jose	17	23	5	39	120	143
Calgary	17	25	5	39	117	140
Los Angeles	17	25	5	39	127	160

WEDNESDAY'S RESULTS

Florida	2	1	1—4
Boston	1	0	0—1

First Period: F-Wamer 1 (Sheppard, Lowry) (pp). 2, F-Sheppard 19 (Cartner, Dvorak) 3, B-, Bourque 7 (Oates, Stumpel) (pp). Second Period: F-Dvorak 11 (Garpenlov, Sheppard) Third Period: F-Dvorak 12 (Sheppard, Gustafsson) Shots on goal: F- 7-15-11—33. B- 11-8-10—29. Goalies: F-Vanbiesbrouck. B-Tallas.

Colorado	1	2	0	1—4
Pittsburgh	0	0	3	0—3

First Period: C-Deadmarsh 18 (Kamensky) (pp). Second Period: C-Jones 18 (Deadmarsh, Krupp) (sh). 3. C-Deadmarsh 19 (Kamensky, Ozolinsh) (pp). Third Period: P-Francis 19 (Woolley, Jagr) 5, P-Mullen 2 (Dziedzic, Wright) 6, P-, Dziedzic 3 (Barnes, Mullen) Overtime: 7, C-Kamensky 17 (Lefebvre, Deadmarsh) Shots on goal: C-11-8-11-5—35. P- 10-13-15-5—43. Goalies: C-Roy, Billington. P-Lalime.

Vancouver	1	0	2	—3
St. Louis	1	0	3	—4

First Period: S.L.-Murphy 12, 2, V-, Courtnall 5 (Sillinger, Babych) Second Period: None. Third Period: S.L.-Hull 22 (Courtnall, MacInnis), 4, V-Burr 20 (Gelinas, Roberts) 5, V-, Roberts 7 (Gelinas) 6 S.L.-Rivers 1 (Murphy, Turgeon) 7, S.L.-Hull 23 (Turgeon, Courtnall) Shots on goal: V- 8-3-4—15. S.L.- 9-11-14—34. Goalies: V-McLean 11-8-1. S.L.-Fuhr.

Anaheim	1	2	0	—3
Phoenix	2	3	1	—6

First Period: Phoenix, Gartner 20 (Tverdovsky, Roenick) (pp). 2, Phoenix, Janney 7 (Shannon, Doan) 3, A., Kariya 18 (Van Impe, Mironov) (pp). Second Period: Phoenix, Running 10 (Drake, Tverdovsky). 5, A-Kariya 19 (Rucchin, Selenne) 6, Phoenix, MacIver 3 (Running, Tverdovsky) (pp). 7, A-Kariya 20 (Selanne) 8, Phoenix, Running 11 (Shannon, Tverdovsky) (pp). Third Period: Phoenix, Tkachuk 30 (Corkum) (en). Shots on goal: A- 9-11-14—34. Phoenix 11-17-5—33. Goalies: A-Hebert, Shtalenkov. Phoenix, Khabibulin.

SKIING

World Cup

WOMEN'S DOWNHILL

FRIDAY, IN CORTINA D'AMPEZZO, ITALY

1 equal. Isolde Kostner (Italy) one minute 30.81 seconds, tie Heidi Zurbriggen (Switzerland) 1:30.81, 3. Katja Seizinger (Germany) 1:30.83, 4. Warwara Zelenskaja (Russia) 1:30.96, 5. Renate Goetschl (Austria) 1:31.23, 6. Blanca Perez (Italy) 1:31.25, 7 equal. Regine Cavagnoud (France) 1:31.28, tie Pernilla Wiberg (Sweden) 1:31.28, 9. Hilary Lindh (U.S.) 1:31.42, 10.Katherina Gutensohn (Germany) 1:31.46.

Downhill standings: 1. Zurbriggen 269 points, 2. Seizinger 266, 3. Goetschl 227, 4. Kostner 196, 5. Wiberg 156, 6. Gerg 135, 7. Schuster 132, 8. Zelenskaja 123, 9. Haaust 110, 10 equal.Meissnitzer 109, tie Mosnada 109.

Overall standings: 1. Wiberg 1,109 points, 2. Seizinger 809, 3. Deborah Compagnoni (Italy) 655, 4. Gerg 608, 5. Wachter 525, 6. Zurbriggen 469, 7. Kostner 464, 8. Ertl 451, 9. Urska Hrovat (Slovenia) 428, 10.Goetschl 327.

MEN'S DOWNHILL

FRIDAY, IN KITZBUEHEL, AUSTRIA

1. Luc Alphand (France) 2:12.55 (1:06.24/1:06.29), 2. Werner Franz (Austria) 2:12.95 (1:06.33/1:06.62), 3. William Besse (Switzerland) 2:13.13 (1:06.73/1:06.40), 4. Josef Strobl (Austria) 2:13.22 (1:06.57/1:06.65), 5. Fritz Strobl (Austria) 2:13.35 (1:06.89/1:06.42), 6. Atle Skaardal (Norway) 2:13.38 (1:06.56/1:06.82), 7. Werner Perathoner (Italy) 2:13.38 (1:06.45/1:06.93), 8. Franco Cavegn (Switzerland) 2:13.55 (1:06.45/1:07.10), 9. Pietro Vitalini (Italy) 2:13.73 (1:06.81/1:06.92), 10. Ed Podivinsky (Canada) 2:13.83 (1:07.17/1:06.66).

Downhill standings: 1. Alphand 545 points, 2. Ghedina 489 (Italy), 3. Franz 358, 4. Skaardal 346, 5. Fritz Strobl 299, 6. Josef Strobl 289, 7. Besse 261, 8. Franco Cavegn (Switzerland) 193, 9. Pietro Vitalini (Italy) 186, 10. Werner Perathoner (Italy) 167.

Overall standings: 1. Michael Von Grunigen (Switzerland) 606 points, 2. Kjetil Andre Aamodt (Norway) 601, 3. Thomas Sykora (Austria) 582, 4. Luc Alphand 577, 5. Kristian Ghedina 539, 6. Hans Knauss (Austria) 483, 7. Guenther Mader (Austria) 423, 8. Josef Strobl 418, 9. Werner Franz 405, 10. Atle Skaardal 382.

CRICKET

ENGLAND TOUR

1ST DAY IN 1ST OF 3 TEST MATCHES

NEW ZEALAND VS. ENGLAND

FRIDAY, IN AUCKLAND

New Zealand: first innings 233 for five

TRIANGULAR SERIES

LIMITED OVERS MATCH

SOUTH AFRICA VS. INDIA

FRIDAY, IN BLOEMFONTEIN, SOUTH AFRICA

South Africa innings: 270-4 in 50 overs
India innings: 231 all out in 47.4 overs
South africa won by 39 runs.

TENNIS

Australian Open

FRIDAY RESULTS

MEN'S DOUBLES SEMIFINALS

Mark Woodforde, Australia, and Todd Woodbridge (1), Australia, def. Rick Leach, U.S., and Jonathan Stark (11), U.S., 6-3, 7-6 (7-2), 5-7, 6-1.

Sebastien Lareau, Canada, and Alex O'Brien (7), U.S., def. Jacco Eltingh, Netherlands, and Paul Haarhuis (3), Netherlands, 4-6, 6-2, 6-4, 5-7, 6-2.

WOMEN'S DOUBLES FINAL

Martina Hingis, Switzerland, and Natasha Zvereva (4), Belarus, def. Lindsay Davenport, U.S., and Lisa Raymond (7), U.S., 6-2, 6-2.

MEN'S SINGLES SEMIFINAL

Pete Sampras (1), U.S., def. Thomas Muster (5), Austria, 6-1, 7-6 (7-3), 6-3.

MIXED DOUBLES SEMIFINALS

Larisa Neiland, Latvia, and John De Jager, South Africa, def. Anna Kournikova, Russia, and Mark Knowles, Bahamas, 6-4, 6-3.

Manon Bollegraf, Netherlands, and Rick Leach (3), U.S., def. Lori McNeil, U.S., and Brian MacPhie, U.S., 7-6 (10-8), 6-1.

Davis Cup

EURO AFRICAN ZONE

GROUP A

Turkey def. San Marino 3-0
Baris Ergum def. Christian Rosti 6-4 6-2
Erhan Oral def. Domenico Vicini 6-1 6-4
Mustapha Azkara/Alaaddin Karagoz def. Gabriel Francini/Vicini 6-3 6-3
Macedonia def. Ethiopia 2-1
Dragan Jovanovski lost to Samuel Gebriel 6-2 4-6 0-6
Zoran Sevcenko def. Yohanes Setegne 6-0 6-0
Lazar Magdincev/Sevcenko def. Gebriel/Haitamu Kidane 6-2 6-1

GROUP B

Senegal def. Bosnia-Herzegovia 3-0
Jean Noel Said def. Haris Basalic 7-6 6-3
Yahia Doumbia def. Marid Zahirovic 6-1 6-2
Doumbia/Thierno Ly def. Basalic/Elder Mustafic 6-3 6-4
Luxembourg def. Armenia 3-0
A. Grainpray def. Artak Haruthyunyan 6-0 6-0
Sacha Toma def. David Babayan 6-1 6-1
Johnny Goudenbour/Pascal Schaul def. Haruthyunyan/Amrt Mutkichian 6-2 6-3
(winning team's names first)

TRANSITIONS

BASEBALL

MAJOR LEAGUE BASEBALL

AMERICAN LEAGUE

CLEVELAND—Designated C Sean Mulligan for assignment.

NATIONAL LEAGUE

SAN DIEGO—Traded C Sean Mulligan to Cleveland for cash.

BASKETBALL

NATIONAL BASKETBALL ASSOCIATION

DETROIT—Put F Brian Evans from injured list. Put F-C Amal McCaskill on injured list. Signed C Clifford Rozier.

TORONTO—Placed C Zan Tabak on injured list. Signed C Clifford Rozier.

FOOTBALL

CANADIAN FOOTBALL LEAGUE

EDMONTON—Announced the resignation of Bill MacDermott, offensive line coach, to become assistant head coach of Winnipeg.

WINNIPEG—Re-signed K Troy Westwood.

TENNIS

USTA—Announced Richey Reneberg will replace injured Todd Martin on U.S. Davis Cup team for opening-round matches against Brazil.

COLLEGE

NCAA—Declared Connecticut basketball G Ricky Moore and C Kirk King ineligible for accepting improper gifts.

BOSTON COLLEGE—Agreed to terms with Jim O'Brien, men's basketball coach, on four-year contract extension.

CALIFORNIA—Named Tom Holmoe football coach.

CINCINNATI—Suspended senior basketball G Damon Flint for one game for being late for practice.

GARDNER-WEBB—Named Steve Patton football coach.

MISSOURI—Announced sophomore basketball C Monte Hardge was ruled academically ineligible for the second semester.

MURRAY STATE—Named Denver Johnson football coach.

SOUTHERN UTAH—Named C. Ray Gregory football coach.

NAVY—Signed Charlie Weatherbie, football coach, to contract extension through 2007.

TEXAS A&M—Announced basketball guard Derrick Hurt has been declared academically ineligible.

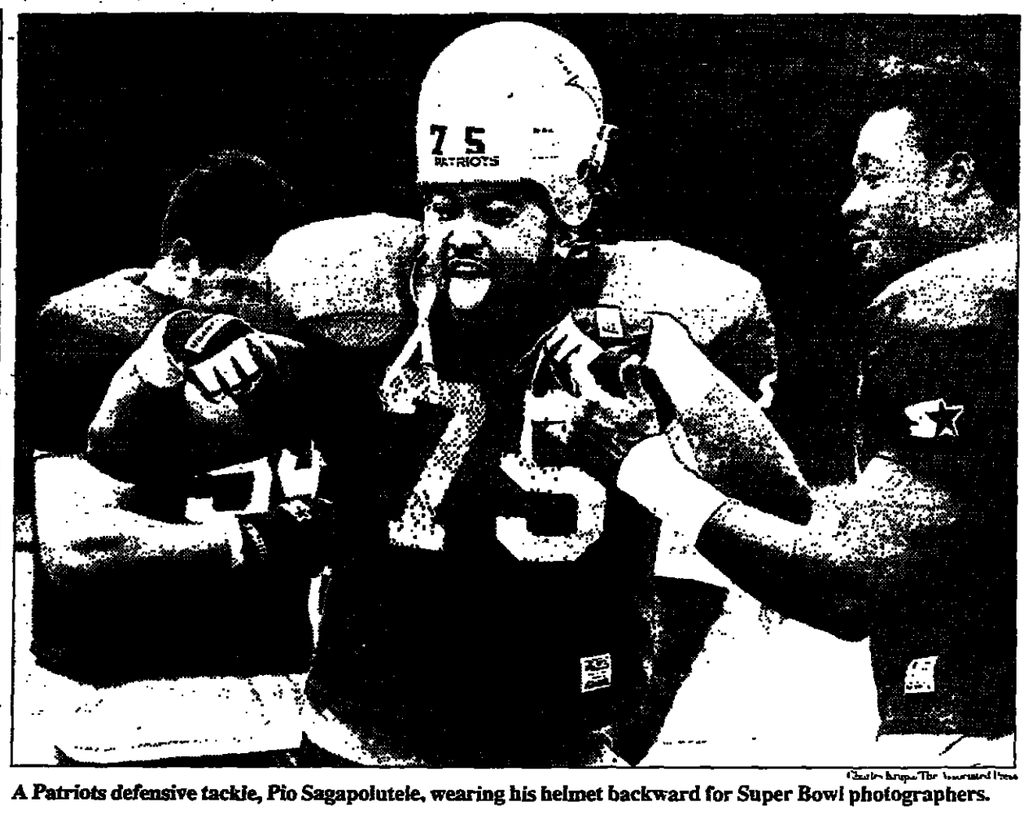
SPORTS

Super Bowl XXXI on Television

The Super Bowl on Jan. 26 begins at 6:18 P.M. BST. According to the National Football League, it will broadcast in the following countries:

Afghanistan: STAR TV
Angola: M-Net
Armenia: STAR TV
Argentina: Fox Sports Americas
Aruba: Fox Sports Americas
Austria: DSF
Australia: Nine/Fox Sports
Azerbaijan: STAR TV
Bahamas: Bahamas Broadcast
Bahrain: STAR TV
Bangladesh: STAR TV
Belgium: Canal+/Supersport
Benin: M-Net
Bhutan: STAR TV
Bolivia: Fox Sports Americas
Botswana: M-Net
Brazil: TV Bandeirantes
Brunei: STAR TV
Bulgaria: BNT
Burkina Faso: M-Net
Burma: STAR TV
Cambodia: STAR TV
Cameroon: M-Net
Canada: Cablevision Global
Central African Republic: M-Net
Chile: Fox Sports Americas
China: STAR TV
Colombia: Fox Sports Americas
Congo: M-Net
Costa Rica: Fox Sports Americas
Croatia: HRT
Cyprus: LumiereTV/STAR TV
Denmark: TV3
Dominican Rep.: Not! Deportes / Fox Sports
Dubai: Dubai TV
Ecuador: Fox Sports Americas
Egypt: STAR TV
El Salvador: Canal Dos / Fox Sports
Equatorial Guinea: M-Net
Ethiopia: M-Net / STAR TV
France: Canal+
French Polynesia: Canal+ France
Gambia: M-Net
Germany: Premiere / DSF
Georgia: STAR TV
Ghana: M-Net
Greece: Filmnet Hellas
Guadeloupe: Canal+ France
Guam: STAR TV
Guatemala: Fox Sports Americas
Guinea: M-Net
Guinea-Bissau: M-Net
Guyana: Canal+ France
Honduras: Fox Sports Americas
Hong Kong: STAR TV
Iceland: Channel 2 / Syn
India: STAR TV
Indonesia: STAR TV
Iran: STAR TV
Iraq: STAR TV
Israel: ICP / STAR TV
Italy: Tele+2 / TMC
Ivory Coast: M-Net
Jamaica: CVM-TV
Japan: NHK-OBS / GAORA
Jordan: STAR TV
Kenya: M-Net
Kuwait: Kuwait TV / STAR TV
Laos: STAR TV
Lebanon: Middle East TV / STAR TV
Liechtenstein: DSF
Luxembourg: SuperSport
Macau: STAR TV
Madagascar: M-Net
Malawi: M-Net
Malaysia: STAR TV
Maldives: M-Net / STAR TV
Mali: M-Net
Martinique: Canal+ France
Mauritius: Canal+ France
Mexico: Televisa / Fox Sports
Micronesia: STAR TV
Moldavia: STAR TV
Morocco: Canal+ / TMC
Mongolia: STAR TV
Mozambique: M-Net
Namibia: M-Net
Netherlands: SuperSport
Netherlands Antilles: Fox
Nepal: STAR TV
New Caledonia: STAR TV
New Zealand: Sky Network
Nicaragua: Channel 2 / Fox sports
Niger: M-Net
Nigeria: M-Net
North Korea: STAR TV
Norway: TV3
Oman: STAR TV
Pakistan: STAR TV
Panama: TVN (Ch 2) / Fox Sports
Papua New Guinea: STAR TV
Paraguay: Fox Sports
Peru: Fox Sports
Philippines: Ch. 13 / STAR TV
Qatar: STAR TV
Reunion: Canal+ France
Romania: Pro TV
Russia: STAR TV
Saudi Arabia: ORBIT/STAR TV
Singapore: TV 12 / STAR TV
Slovenia: RTV
Solomon Islands: STAR TV
Senegal: STAR TV
South Africa: M-Net
South Korea: KBS / STAR TV
Spain: Canal+
Sri Lanka: STAR TV
Sudan: STAR TV
Swaziland: M-Net
Sweden: TV3
Switzerland: Canal+ France / DSF
Syria: STAR TV
Tahiti: Canal+ France
Taiwan: CTV / STAR TV
Tajikistan: STAR TV
Tanzania: M-Net
Thailand: TV3 / STAR TV
Tonga: STAR TV
Turkmenistan: STAR TV
Ukraine: STAR TV
United Arab Emirates: STAR TV
United Kingdom: SkySports / Channel Four
Uruguay: Fox Sports Americas
Uzbekistan: STAR TV
Venezuela: Ch. 15 / Fox Sports
Vietnam: STAR TV
Yemen: STAR TV
Zaire: M-Net
Zambia: M-Net
Zimbabwe: M-Net

The NFL said that about 98 percent of the countries will televise the Super Bowl live. Please check local listings for times.



Charles Krupa/The Associated Press

A Patriots defensive tackle, Pio Sagapolutele, wearing his helmet backward for Super Bowl photographers.

Big Dunks By Jordan Put Down The Cavs

The Associated Press

Something happens to Michael Jordan when he plays against Cleveland, and it's usually something bad for the Cavaliers.

Jordan, who has scored 50 or more points against the Cavs six times and knocked

NBA ROUNDUP

Cleveland out of the playoffs with late-game heroics in 1989 and 1993, had two highlight-film dunks Thursday night that took the fight out of Cleveland in a 87-71 victory.

Jordan sailed along the baseline for a one-handed stuff that extended Chicago's lead to 64-58 with 10:41 left. Three minutes later, Jordan got the ball on the left wing, glided toward the lane and threw down another one to make it 68-58. Jordan hung on the rim and glared at Bob Sura, who was sliding on his backside.

After his highlight reel dunks, Jordan sank five of six foul shots and tossed a shot in off the glass as the shot clock expired during a 17-4 run that gave the Bulls a 79-62 lead.

Jordan finished with 32 points, Scottie Pippen and Toni Kukoc added 13 each, and the Bulls won their second in a row despite being held below 90 points for the third straight game.

Clippers 102, SuperSonics 100 In Anaheim, California, Darrick Martin was fouled by Gary Payton on a 3-point attempt with 16.2 seconds left — a call that Payton was ejected for arguing — and made all three free throws for the final points of the game.

Magic 96, Bucks 92 In Orlando, Florida, Penny Hardaway and Rony Seikaly each had 23 points for the Magic, who won for the sixth time in seven games to improve to 7-2 since Hardaway and Nick Anderson returned from the injured list Jan. 7.

Rockets 111, Nets 104 In Houston, Hakeem Olajuwon, Clyde Drexler and Sam Mack each scored 20 points, and the Rockets put down a late New Jersey charge to stop the Nets for the eighth straight time.

Pistons 94, Warriors 79 In San Jose, California, Terry Mills had 22 points and Theo Ratliff added a season-high 18 for the Pistons. Mills, who hit three of his five 3-pointers in the fourth period, added a season-high 11 rebounds.

■ No. 2 Clemson Falls

Wake Forest, ranked No. 4 and coming off a tough home loss to Maryland, withstood a second-half rally by second-ranked Clemson to defeat the Tigers, 65-62, Thursday night in a college game, The Associated Press reported.

For Patriots' Cornerback, 'The Issue Is Respect'

By William C. Rhoden
New York Times Service

NEW ORLEANS — The customary cat-and-mouse game that takes place between offense and defense, receiver and defender, will be suspended on Sunday when Green Bay and New England face each other in Super Bowl XXXI.

There will be no mouse in this game. Instead, this game features two aggressive, predatory teams hunting prey. Green Bay's Brett Favre, a two-time most valuable player, is the National Football League's hot young quarterback with improvisational instincts. Favre's two wide receivers, Antonio Freeman and Andre Rison, boast of being the vanguard of the league's new breed of star receiver.

New England's young defensive backs, maligned earlier in the season, have become a rough-and-tumble wall that cannot be penetrated.

"For us, the issue is respect," said Ty Law, the Patriots' starting left cornerback. A heavy part of the burden for stopping Favre and Company will fall on the second-year man from Michigan.

On alternate plays, Law and the right corner, Otis Smith, will be responsible for stopping Freeman (56 receptions, nine touchdowns) and Rison (50 receptions, four touchdowns).

The former Michigan all-American has definite ideas of how the deed will be done. Law plays more bump-and-run and man-to-man; Lawyer Milloy, the rookie safety, is a punishing tackler; Smith likes to gamble. Free safety Willie Clay's nickname is "Big Play."

The key will be a disciplined but free-wheeling attitude.

"When we played conservatively, we weren't doing very well," Law said. "We were last in the league against the pass because we were playing so conservatively."

For Law, the challenge will not be a matter of talent, but rather adjusting his coverage to two sharply distinctive approaches. "I've got to switch it up because I'm playing against two different types of receivers," he said.

Freeman takes extreme pride in running precise pass routes; from cutting off the correct foot to turning his hand the right way, he tries to be textbook perfect.

Rison is far less interested in precision.

"He's just going to find a way to get open," Law said. "He still has that mindset of how he used to do it in Atlanta, where he ran any type route he wanted to run. When you tell Rison to do this route, he might add a little bit of his own stuff to it. Not only is he running routes, but he's reading you; he's going to get free, not necessarily stick to the exact route."

Law said Rison's primary attribute won't show up on stat sheets.

"The main thing is confidence," Law said. "He knows he can play the game of football. He doesn't have that great speed, but he has quickness."

EuroLeague Upset Saves Barcelona

By Ian Thomsen
International Herald Tribune

Barcelona is still alive in European basketball, just by the hair on Aleksandar Djordjevic's shaved head.

Djordjevic, the point guard who helped keep Yugoslavia close to the U.S.A. for three quarters in last summer's Olympic final, returned to European basketball a few weeks ago after a brief, unhappy experiment with the NBA Portland Trail Blazers.

His free throw with four seconds left Wednesday finished Barcelona's 69-67 upset of Efes Pilsen of Istanbul.

The Barcelona fans are unhappy with their ever-controversial coach, Aito Garcia Reneses.

On the coach's behalf, it should be pointed out that his club was one suspicious call away from winning the European Championship last year, when a last-second Barcelona layup appeared to be goaltended illegally by the Panathinaikos center Stojko Vrankovic, who has since moved onto the NBA.

Barcelona (6-7) probably needs to win two of its last three regular-season EuroLeague games to qualify for the 16-team playoffs that begin in early March.

With three weeks left in EuroLeague's inaugural season, it appears that the four divisions have been wrapped up by Stefanel Milan, Teamsystem Bologna, Efes Pilsen of Istanbul and the defending champion, Panathinaikos of Athens.

Panathinaikos's success testifies to the powers of the Yugoslav coach Bozidar Maljkovic.

With one strict hand he dispatched the American forwards John Salley and Anthony Avent in mid-season: with the other he has coaxed a 10-3 record from the most culturally diverse team in Europe.

The most interesting battles are happening among Alba Berlin (8-5), Olympiakos Piraeus (7-6), Maccabi Tel Aviv (7-6) and CSKA Moscow (7-6).

All of them could win the European Championship. One of them will not even qualify for the next round.

All are in the same group behind Milan, whose impressive 78-68 victory Thursday at Berlin knocked the German team closer to the hounding pack.

Next week, Berlin must travel to Tel Aviv for a game neither team can afford to lose.

Under similar circumstances Olympiakos will be playing at Moscow.

Eventually the top four European clubs will advance to the Final Four in Rome on April 22 to 24.

In Australia, Long Leads and Daly's Out

Reuters

HOPE ISLAND, Australia, — Michael Long of New Zealand took a two-shot lead in the opening tournament on the European Professional Golfers' Association Tour after the second round Friday as John Daly of the United States missed the cut by 10 shots.

Long shot a second successive 68 for an 8-under-par 136 to move clear of Ernie Els of South Africa and Peter Lonard of Australia at the half-way stage of the Johnnie Walker Classic, jointly sanctioned by the Australian PGA Tour.

But there was embarrassment for Daly, a former British Open and U.S. PGA champion, who failed to live up to his billing as a major draw with a dismal 7-over-par 79 to add to his opening 77. Jean Van de Velde of France and Paul Eales of England shared third place on 5-under par.

• Steve Jones, whose triumph in the U.S. Open last year capped his comeback from a 1991 dirt-bike accident, shot a 9-under-par 62 for a 2-stroke lead over Nick Price at the Phoenix Open, The Associated Press reported from Scottsdale, Arizona. David Duval, Tommy Tolles, Joe Ozaki, Rick Fehr, Chip Beck, Jesper Parnevik, Rocco Mediate and Phil Blackmar had 5-under 66s in Thursday's play.

Avalanche Stop Penguins' Streaks

The Associated Press

Break up the Colorado Avalanche? It doesn't matter. They just keep winning games — even while losing players.

Despite the loss of goaltender Patrick Roy to a hand injury Thursday night, the Avalanche beat Pittsburgh, 4-3, in overtime and stopped two streaks: the Penguins' 14-game

NHL ROUNDUP

unbeaten streak and the 16-game unbeaten streak of rookie goaltender Patrick Lalime.

Roy, who played in last weekend's All-Star game and leads the NHL with six shutouts, was forced to leave the game in Pittsburgh at 13:54 of the first with a sprained right thumb. Teammate Uwe Krupp appeared to skate over Roy's hand while he attempted to cover the puck, and the goaltender was also clipped by Pittsburgh defenseman Joe Dziedzic before play was stopped.

It was another stroke of bad luck for the defending Stanley Cup champions, who have been hit by injuries all season.

Valeri Kamensky scored at 3:55 of overtime to end Pittsburgh's 12-0-2 run as well as Lalime's record streak at 14-0-2.

Panthers 4, Bruins 1 In Boston, Radek Dvorak had two goals and an assist and John Vanbiesbrouck made 28 saves to lead Florida. Ray Sheppard added a goal and two assists as Florida snapped a four-game losing streak.

Blues 4, Canucks 3 Brett Hull scored his second goal of the game with 1:14 to play as the Blues, after surrendering the lead early in the third period, rallied to beat visiting Vancouver. Jamie Rivers tied it with his first career goal with 4:44 to play, and Joe Murphy had a goal and an assist for the Blues. Geoff Courtnall added two assists and set up the game-winner as the Blues outshot the Canucks, 34-15.

The Blues played a lot better than in the previous meeting against Vancouver, an 8-0 loss at home Dec. 15.

Coyotes 6, Mighty Ducks 3 In Phoenix, Cliff Ronning scored two goals and Keith Tkachuk added his 30th as Phoenix beat Anaheim.

Craig Janney, Mike Gartner and Norm Maciver also scored and Oleg Tverdovsky added four assists for the Coyotes.

DENNIS THE MENACE

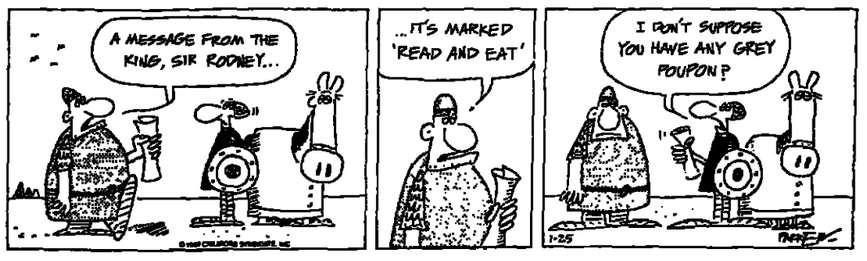
"REMEMBER, JOEY, THE GAME ISN'T OVER UNTIL THE COACH STARTS CRYING."

PEANUTS

CALVIN AND HOBBES

GARFIELD

WIZARD of ID



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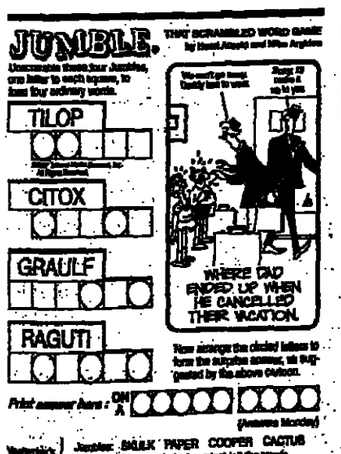

Print answer here: ON A (Answers Monday)

Yesterday's Jumbles: BAULK PAPER COOPER CACTUS
Answer: What the judge's protest led the tennis umpire with — A "COURT" CASE

BEETLE BAILEY

THE FAR SIDE

"Well, here we go, another exciting evening at the Murdocks, all of us sitting around going, 'Hello, my name is so-and-so. ... What's your name? ... I wanna cracker. Hello, my name is so-and-so.'"

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DAVE BARRY

Nostalgic Trivial Pursuits

MIAMI — O.K., here's a nostalgia question: What childhood game does this remind you of?

"Colonel Mustard in the library with a candlestick."

If you answered, "Spin the Bottle," then I frankly do not want to know any more about your childhood. What I'm referring to is of course the classic board game Clue, in which you try to solve a murder by using a logical process of deduction to narrow down the various possibilities until your sister has to go to the bathroom, at which point you cheat by looking at the answer cards. At least that was always my strategy.

In Monopoly, my strategy was to be the car. The car was one of the little metal game-board pieces; the other ones, as I recall, were the hat, the dog, the shoe, the guy on the horse, and the iron. I never wanted to be the shoe, and I definitely did not want to be the iron.

I wanted to be the car because I could make car noises by vibrating my lips — brrrrmmmmm — and drive the car around on the floor to amuse myself while waiting my turn, which is mainly what you do in Monopoly, which I always considered to be one of the most boring activities on the planet.

But I had friends who LOVED it; when we played, they became insane money-grasping capitalist pigs. They'd crouch next to the game board, looking over the tops of their hotels with greed-crazed eyes, watching me throw the dice, waiting for the little car to come around the corner, motoring innocently along — brrrrmmmmm — until it stopped on — HAH!! — Boardwalk, and they'd triumphantly announce that I owed them some huge amount of pretend money that they knew to the exact pretend dollar.

□

I will say this about Monopoly: I was better at it than at chess. My problem with chess was that all my pieces wanted to end the game as soon as possible. "Let's get this over with!" was their battle cry. If the rules had allowed it, my pieces would all have charged out onto the board simultaneously the instant the game started.

Unfortunately, this was not legal, so they had to content themselves with charging out one at a time, pretty much at random, and immediately getting captured. Here's what it they sounded like:

PAWNS: Oh no! They got the knight!

KING: Darn it!

BISHOP: I'll go next!

KING: Good luck!

PAWNS : Oh no! They got the bishop!

KING: Darn it!

QUEEN: I'll go next!

KING: Good luck!

PAWNS: Oh no! They got the queen!

KING: Good! I mean, darn it!

□

The one board game that I still play is Scrabble. I like it because, unlike most other board games, which basically are pointless time-consumers, in Scrabble you can do something mentally stimulating and worthwhile: Make naughty words.

There is nothing quite like the sense of intellectual accomplishment that comes from spelling out, say, "b-o-s-o-m," knowing that it will be sitting there on the board for hours, staring up at your opponents.

The problem with Scrabble is that it leads to arguments like this:

FIRST PLAYER: "G, l, e, e, t. There!

SECOND PLAYER: "Gleet?" What the hell is "gleet?"

FIRST PLAYER: I have no idea, but if you can use "pood," I can use "gleet."

The thing is, according to the American Heritage Dictionary, both "gleet" and "pood" really ARE words, as are "kloof," "fremitus" and "woomera." It turns out that, if you have a big enough dictionary, just about everything is a word, which means you can put down any old letters you want and claim it's a legal move.

Of course you have to be careful whom you're playing with. The number of violent Scrabble-related incidents is on the rise. I would not be surprised to learn that a word like "gleet" had something to do with it.

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Boulez Celebrates 20 Years of Controversy

By Alan Riding
New York Times Service

PARIS — Conductor, composer and fiery apostle of contemporary music, Pierre Boulez at least has a sense of humor about what happens to much of the serious music being written today. "They say that when a contemporary piece is performed, the composer hears it twice in the same concert — the first and the last time," he said mischievously, "because it's never performed again."

Of course, Boulez can afford to joke because his compositions have not suffered such a fate. Yet the remark is a measure of his realistic approach to the challenge that, at 71, he continues to wrestle with: how to break down the resistance of most ordinary music lovers to contemporary music. How can one make this music more popular without "popularizing" it?

Today, much contemporary music is considered too obscure, too intellectual and too unmelodic to appeal to wider audiences. With the exception of, say, Karlheinz Stockhausen, Luciano Berio, Gyorgy Ligeti and Boulez himself, few contemporary composers are known outside tight academic circles.

And, fearful of audience reactions, many major orchestras are reluctant to perform late 20th-century works.

Still, Boulez has never been easily discouraged. Two decades ago, with French government backing, he founded the 31-member Ensemble Intercontemporain to play 20th-century music, and created the Institute for the Research and Coordination of Acoustics and Music, known as Ircam, to promote music's relationship with computers and other modern technology.

Now, 20 years later, they are ready to be judged.

"I think they have fulfilled the goals for which they were created quite well," he said during an interview shortly before conducting the first of two concerts at the new Cite de la Musique in northeast Paris to observe the ensemble's 20th anniversary.

Certainly, if contemporary music is alive and kicking here, the ensemble and Ircam deserve much credit: With a repertory of 1,400 pieces, the ensemble has so far performed 260 new works, 115 of which it commissioned itself; and to this day Ircam opens its doors to, and shares its know-how with, 25 experienced composers and 10 young composers every year.

This month, a five-member committee formed by the ensemble and Ircam is studying the applications of 380 young composers from around the world with a view to picking 10 Ircam scholars and 4 others who will be commissioned to create works eventually performed by Ircam or the ensemble. In March, Philippe Manoury, an Ircam composer, will present a new opera, "60th Parallel," at the Theatre du Chatelet.

At the same time, the ensemble, which receives $4 million a year in public subsidies compared to $7 million for Ircam, has developed a strategy to reach out to new audiences here: Depending on the program, it has the choice of playing either in an 800-to-1,200-seat concert hall or in a more intimate 250-seat auditorium. It also tries to create programs that combine "difficult" and more accessible pieces or composers.

For its anniversary concerts before full houses Jan. 10 and 11, the ensemble performed a lively Concerto for Clarinet by the veteran American composer Elliott Carter, which was commissioned for the occasion and performed by Alain Damiens. The rest of the program comprised Gyorgy Kurtag's popular Double Concerto for cello and piano, Philippe Schoeller's "Feuillages" and Helmut Lachenmann's "Mouvement."

Yet as important to Boulez as variety is fidelity to certain works. "Pieces have to be repeated and repeated and repeated," he said, "not only for the audiences but also for the musicians." Further, he went on, only by commissioning hundreds of works can "masterpieces" be found. "After 20 years," he said, "we now have privileged composers who are more interesting, more adventurous, more in charge of their metier."

Philippe Gontier/The New York Times

Pierre Boulez, right, and Elliot Carter during a rehearsal in Paris.

The notion of "privileged composers" still raises eyebrows here because, for a long time, Boulez displayed his power and strong opinions by favoring some composers and ignoring others. This frequently plunged him into angry debates in France, where his most vociferous critics complained that the ensemble and Ircam were absorbing a disproportionate share of the government's subsidies for music.

Over the last five years, however, Boulez has relaxed his grip, allowing two hand-picked successors, David Robertson as music director of the ensemble and Laurent Bayle as director of Ircam, much greater freedom to draw up programs and recruit composers not necessarily to the maestro's liking.

Robertson, a 38-year-old California-born conductor and occasional composer, has also encouraged the ensemble to accompany theater, film and dance because he believes strongly that live audiences are essential to an appreciation of contemporary music.

"The music of the second half of the 20th century is made to be listened to," he said. "But nowadays, with stereos and CDs and Walkmans, people listen less and less to music. They hear it all the time, but they're not listening."

Ircam, in contrast, is introspective. Its headquarters opposite the Pompidou Center is packed with computers, electronic synthesizers and acoustic equipment designed to create and organize new sounds into avant-garde compositions. These are then performed either by the ensemble or by Ircam's own contract musicians.

"There is not one work that we have commissioned that has not been played," the 45-year-old Bayle said.

Some universities in the United States, notably the Massachusetts Institute of Technology, do work similar to Ircam's, while the ensemble considers the London Sinfonietta and the Frankfurt-based Ensemble Modern to be its close cousins.

But Nicholas Snowman, a former artistic director at Ircam who is now chief executive of the South Bank Center in London, believes the ensemble and Ircam to be unique because of their "unrivaled funding and stability" and Boulez's inspirational role.

LEGAL FEEDING FRENZY

Briefcase Gridlock: Duke's Other Heirs

By Matthew Purdy
New York Times Service

NEW YORK — This was Doris Duke's predicament: She was worth $1.2 billion, but had no relatives or friends she particularly cared to enrich so massively when she died. So she decided, with immodesty befitting one of the world's richest women, that her estate would go toward "the improvement of humanity," as her will said. Her money would allow dancers to dance, artists to paint, doctors to cure diseases, animals to escape the cruelty of people.

It was a wonderful vision. But it overlooked what turned out to be the first effect of Duke's largess: It allowed lawyers to eat.

The 30-month fight over Duke's estate was as full of mystery and intrigue as was the life of the reclusive, mistrustful tobacco heiress who died in October 1993 at 80. There was her alcoholic, barely literate butler who was named in her will as the executor of the estate, and one of her many former doctors who believed he deserved the job — and the fees. The situation was resolved last year when a judge in Manhattan approved the creation of the Doris Duke Charitable Foundation, one of the United States's best-endowed charitable funds.

The dispute that played out in Surrogate's Court was, in the words of one lawyer, "the World Series of litigation," with big-name law firms playing for big stakes. Now the contest over Duke's estate has gone into extra innings. The prizes this time are legal and estate administration fees that already amount to $10 million and probably will more than double when all of the requests are filed with the court.

Lawyers flew across the United States charging their hourly rate as they went, sometimes as high as $450 an hour. They stayed in New York City's finest hotels. And in court appearances and meetings, clients often were represented by multiple lawyers, causing a gridlock of expensive suits and large briefcases.

Consider the lawyers' bonanza of January 1996. When the state Court of Appeals issued a decision in the case, 14 lawyers from two firms spent a total of more than 40 hours reviewing the decision, and all submitted bills for their work, according to court papers. The case involved dozens of lawyers in some of the United States's most prominent firms. One of the more noteworthy lawyers, Legal Services Corp. president Alexander D. Forger, has applied for $450,000 in fees. He was appointed a temporary administrator of the estate, but the appointment was stayed nine days later, according to legal papers filed by New York state Attorney General Dennis Vacco. Forger, who did not return telephone calls, said in court papers that his responsibilities lasted for months, not days.

Marina Garmer

A bejeweled Doris Duke in 1991.

Since the fees will be paid out of the charitable money, the lawyers' requests for payment are facing stiff opposition from two other sets of lawyers — the state attorney general, who represents beneficiaries of the charity, and lawyers representing the trustees of the charitable fund. "This is a feeding frenzy," sneered a lawyer associated with the case.

But the lawyers insist their fees are justified. "This litigation undoubtedly was one of the most complicated probate matters in the history of the state of New York," said Rodney N. Houghton, one of the many lawyers representing Duke's former doctor. "Its complexity was matched only by the intensity of the litigation, requiring us to work on many occasions on an around-the-clock basis to meet competing deadlines."

Even so, there were instances where it appears lawyers were stacked up like planes over La Guardia Airport. When the charitable foundation questioned why lawyers from three different firms had to appear at court hearings on behalf of Duke's former doctor, one of the lawyers answered in court papers that it was important for them to discuss matters in person after the court session and "to observe the reaction of the court and co-counsel to various factual and legal issues." Lawyers for the charitable foundation, who are trying to protect the assets of the estate, were incredulous. "It would plainly be wrong to require the estate to foot the bill for multiple attorneys to 'observe the reaction of the court,'" the foundation lawyers wrote in an Oct. 21 filing. "Presumably, one representative of the three firms could have attended proceedings to observe reactions and passed his or her observations on to other attorneys as necessary."

In many respects, Duke's will was straightforward, especially given the size of her fortune. Duke was twice married and twice divorced, and her closest relative when she died was a daughter, Charlene Gail Heffner, known as Chandi, whom Duke adopted in 1988 when Heffner was 35. Their relationship fell apart a few years later and Heffner sued, seeking to become the beneficiary of Duke's estate. The estate settled with Heffner for $65 million last year.

In her final years, Duke was unwavering in her decision to give her fortune to charity, but she repeatedly re-wrote her will, changing the executor of the estate — changes that would carry millions of dollars in fees.

"We're here because of Miss Duke's personalities and eccentricities," said Don Howarth, a Los Angeles lawyer, explaining why the disposition of the estate had turned contentious.

PEOPLE

WHAT is the most common misconception about Woody Allen? "That I'm an intellectual," according to the director. "People think I'm being facetious when I say this, but I'm not." Allen said in an interview with US magazine. "I was never a high-culture person." Really? "I don't spend every night hovering over Kierkegaard or at the opera. I'm the guy who comes home from work, takes his shirt off, opens a bottle of beer and turns on the Knicks game. And over the years, genuine intellectuals have resented it. They feel I'm a pretender to the throne and get angry with me: 'This guy's so pretentious.' And it has not helped me. It keeps people out of my movies. I've never had a major hit."

□

Kareem Abdul-Jabbar says he is surprised his appearance in a beer commercial has upset some of his fellow Muslims. The basketball great told the Los Angeles Times that he's been featured in beer advertisements throughout his career, adding that his latest spot in a Coors ad does not show him holding a beer. Alcohol is prohibited in Islam. "I don't want to advocate anything that would be detrimental to anyone, but I didn't see this in that light," he said. The Islamic Society of North America has asked Abdul-Jabbar to renounce the television ad, which began running Jan. 1. It shows the former Los Angeles Lakers star shooting his patented sky hook in a mountain setting, with a hole in the clouds as a basketball hoop. An Islamic Society official called Abdul-Jabbar's appearance "devastating" — an implied endorsement of an alcoholic beverage. Abdul-Jabbar said he wished the group had contacted him privately instead. "The prophet said we should try discourse first," he said.

□

"The English Patient," the war drama starring **Ralph Fiennes** and **Kristin Scott Thomas**, topped the list of nominations for the Screen Actors' Guild awards. The film, directed by **Anthony Minghella**, picked up four nominations, while "The Birdcage," "Marvin's Room," "Jerry Maguire" and "Shine" each received three. "Evita," the musical starring **Madonna**, which won three Golden Globe awards, was shut out.

□

The King of Pop is apparently no spelling whiz. A hotel that found love notes to India apparently scribbled by **Michael Jackson** on a mirror, a pillowcase and a tray plans to auction the items and donate the proceeds to a children's charity. The note on the full-length mirror included a misspelling: "Idia, I love you. In your children I have seen the face of God. You are my special love. I truly adore you with all my heart." Jackson stayed at the Oberoi Towers last November while in Bombay for a concert. The messages, which have not been authenticated, were written with a black pen and found in Jackson's room after he checked out.

Francois Mori/The Associated Press

HAPPY HALLYDAY — Johnny Hallyday and his wife, Laetitia, after the French rock star was awarded the Legion of Honor on Friday by President Chirac.

□

Itzhak Perlman, the concert violinist, came to lunch at the National Press Club in Washington and brought his fiddle to show how music connects intellect and basketball. Music, he said, teaches how to express things that children could not otherwise give voice to. "In case any of you are having a little trouble visualizing what I mean," he said, "I'll demonstrate something for you." He whipped out his Stradivarius. "When I first was asked to speak, I was very excited," he said, and played few bars to show it. "But then I was nervous" (a few more bars, slow but anxious). "But then I was on automatic pilot" (a rapid twittering). "But then when it was over, I was very happy," and he burst out with a few exultant measures from Beethoven's only violin concerto. He added: "Now, when the Knicks win their next championship, I would be jubilant," and he exploded with a passage to show it.

□

Footage of the only known television performance by **Frank Sinatra, Dean Martin** and **Sammy Davis, Jr.** together has been rediscovered and donated to the Museum of Television & Radio. Footage of the 1965 benefit performance for a St. Louis halfway house was found in a secretary's closet. The trio performed favorites like "Fly Me to the Moon" and "Luck Be a Lady." **Johnny Carson** filled in for the ailing comic **Joey Bishop**. The museum plans screenings of the program in New York and Los Angeles in April.

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